

Registered number: 03467406
Charity number: 1067885

AMENDED



Martha Trust

(A company limited by guarantee)

Trustees' report and financial statements

For the year ended 31 December 2020

Martha Trust
(A company limited by guarantee)

Contents

	Page
Reference and administrative details of the Charity, its Trustees and advisers	1
Chairman's statement	2
Trustees' report	3 - 14
Trustees' responsibilities statement	15
Independent auditors' report on the financial statements	16 - 19
Statement of financial activities	20
Balance sheet	21
Statement of cash flows	22
Notes to the financial statements	23 - 42

Martha Trust
(A company limited by guarantee)

Reference and administrative details of the Charity, its Trustees and advisers
For the year ended 31 December 2020

Trustees	Amy Rosie Georgina Hovey Humphrey Clarke, Chairman John Quin Rebecca Pryse Richard Pitt (resigned 24 September 2020) Robert Sparkes Roger Walton
Company registered number	03467406
Charity registered number	1067885
Registered office	Homemead Lane Hacklinge Deal Kent CT14 0PG
Senior management team	George White, CEO Julie Gayler, Deputy CEO Natalia Olszewska, Finance Director Owen Nolan, Senior Registered Home Manager and Learning Disability Lead Claire Doe, Associate Director of People and Culture Alice Moir, Marketing Manager
Company secretary	George White (resigned 25 June 2020) Natalia Olszewska (appointed 25 June 2020)
Chief executive officer	George White
Independent auditors	Kreston Reeves LLP Statutory Auditor 37 St Margaret's Street Canterbury Kent CT1 2TU
Bankers	Barclays Bank PLC 9 St George Street Canterbury Kent CT1 2JX
Solicitors	Girlings Solicitors LLP 16 Rose Lane Canterbury Kent CT1 2UR

Martha Trust
(A company limited by guarantee)

Chairman's statement
For the year ended 31 December 2020

The chairman presents his statement for the year.

Long after I have written this annual report Martha Trust and indeed most of the world will still be talking about 2020 as the most difficult year they had experienced in their lifetime. From early March until the end of the year we alongside all of our friends in the care industry had to manage an incredibly difficult situation which changed dramatically on an almost daily basis. The trust is blessed with both an experienced board and a Chief Executive and Deputy who have much experience in crisis management and in event planning. We locked down early prior to the government guidance and for seven months we did not have any cases of Covid for either staff or residents. It was not until the last two months of the year that two of our homes had cases but thankfully, due to the mercy of our good Heavenly Father and diligent and professional practice of our staff, these did not spread significantly. Yes, it has been extraordinarily difficult but there have been silver linings and we have learnt so much in this past year.

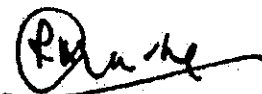
Looking back to our objectives which we set for 2020 we recognised that whilst the management team were working relentlessly with operational issues we needed systems in place to ensure that we focused on our long term strategic plan. This was achieved by forming a trustee group working with selected members of the management team. This further developed and safeguarded our future by having a clear strategy, particularly in the areas of care and finance. The group will present the new strategy to the board for consideration in 2021.

During the year the Care Quality Commission finally approved our two new rooms in Mary House, Hastings. The delay in approval has been extremely frustrating but we can now look forward to providing a home to two new residents, particularly as there is such a great need across the country for residential placements for people with profound and multiple disabilities. We also challenged funding authorities to properly cover the costs to reflect the needs of residents and ensure that the trust is sustainable for the long term. We made significant progress in this area but it is only the start of the story in ensuring funders meet their obligations.

Technology has allowed the board and the committees to meet regularly throughout the year and has enabled the Senior Management Team to meet with the Family Representative Group on a weekly basis since March 2020. We said we would utilise the voices of families to continue to enhance our inclusive and supportive relationships, all the while improving their experiences with us. By meeting so frequently we were able to both help and encourage much greater support of our residents' families through a wide range of communication, including a variety of Social Media methods.

I could not close this report without returning to our frontline care staff. The courage and dedication they have shown this year has been astounding, despite the risk of getting infected with Covid. Our heroes have continued to put the residents before themselves and with staff like these, one cannot be anything but confident of the progression of Martha Trust throughout the next year and many more to come.

We thank God for His provision, direction and protection in all our activities.



Chairman
Date: 18 August 2021

Martha Trust
(A company limited by guarantee)

Trustees' report
For the year ended 31 December 2020

The Trustees (who are also directors of the charity for the purposes of the Companies Act) present their annual report together with the audited financial statements of Martha Trust (the charity) for the year ended 31 December 2020. The Trustees confirm that the annual report and financial statements of the charity comply with the current statutory requirements, the requirements of the charity's governing document and the provisions of the Statement of Recommended Practice (SORP), 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 2019).

Public Benefit

a. Purpose

We are an established regional charity, formed in 1987, providing residential and respite care to adults with profound physical and multiple learning disabilities (PMLD). We are passionate about delivering person-centred care, enabling the individuals we support to achieve their highest level of independence and lead a fulfilling, contented and meaningful life.

We achieve this by:

- recognising and respecting people as unique individuals.
- encouraging and supporting everyone to be involved and engaged in the world around them.
- promoting good health and holistic well-being.

Our health goals are to reduce and prevent unnecessary hospital admissions and to prevent delayed discharges.

We achieve this by:

- having individual care and support plans for people recognising best practice and how we can support people with our nursing teams.
- developing a discharge plan on admission and acting as advocates for the residents' well-being while they are in hospital.

We believe passionately that people with PMLD have the right to make choices about their lives as well as the absolute right to privacy, dignity and respect. They are encouraged and assisted to engage where possible in activities within their local community. Our residential services are supported by a team of in-house care professionals as well as external specialists in health, person-centred planning, communication and physiotherapy.

Our Mission is to offer compassion, friendship and encouragement to people with profound and multiple disabilities, supporting them to lead a full and contented life. Our Values are:

- To treat everyone with respect, dignity and compassion
- To always be supportive and encouraging
- To promote a culture of inclusion and diversity
- To act with integrity and honesty at all times
- To champion the needs and rights of people with profound disabilities

While Martha Trust is driven by Christian values, we offer care and support to people from all faiths and backgrounds. We employ staff based on their skills and experience and do not discriminate on grounds of faith, gender, age, ethnic origin, disability, marital status, race, nationality or sexual orientation.

b. Our organisational aims

- To be recognised as an outstanding provider of high quality and innovative services for people with PMLD.
- To offer an environment in which each person can grow and develop whilst enjoying life to the full, through support that is focused on them, flexible, and creative. We are committed to delivering person-centred care, enabling each individual to lead a rewarding life full of happy memories.

Martha Trust

(A company limited by guarantee)

Trustees' report (continued)

For the year ended 31 December 2020

- To raise our profile through expert knowledge and community development. We will work to understand the local and national PMLD agenda and participate where appropriate, maintaining links with relevant groups and forums.
- To ensure financial sustainability for the future through:
 - o Robust individual needs assessments and fee negotiations on new and existing contracts;
 - o Enhancing our marketing strategy to raise awareness of our services to the widest possible audience and communicate the effectiveness of what we do;
 - o Continuing to grow our fundraising income through our presence in the local community and greater focus on grant income;
 - o Maximisation of the use of under-utilised space by consolidating office space onto one site;
 - o Explore new service and income generation opportunities.

c. Our objectives for 2021

- Complete the review of our Mission, Vision and Values and Strategic Objectives, reacting to changes and reflecting these in our three-year financial strategy.
- Continue to evolve our strategic approach to recruitment and retention – always recognising that the people who work for Martha Trust together with a culture which supports our values, are key to our ongoing success and improvement.
- Build upon the stronger relationships formed with families following the Covid-19 pandemic, continuing to use those partnerships to enhance their own experiences with us, and those of their loved ones.
- Through the Working Improvement Group review and, if required, create a new shift planning process to ensure service users' needs are met at all times of day and night.
- Establish a Care Improvement Committee with Trustee involvement to seek to further improve our service and demonstrate how we are improving the lives of our residents through a long term care strategy. The first year of this Committee will focus on care reviews and medication.
- Focus development of the Continuous Improvement Plan on areas of improvement highlighted in stakeholder questionnaire responses and by CQC. Continue to build on areas rated as Good with a view to achieving Outstanding.
- Continue to strengthen our quality assurance framework; constantly reviewing policies and considering ways of utilising technology to improve the recording and audit processes.
- Increase the voluntary income against budget by continuing with the work to raise our profile in both Deal and Hastings, utilising the strengths of the marketing and fundraising team.
- Challenge funding authorities to increase their fees in order to cover rising costs as part of an ongoing and constantly evolving three-year financial forecast that reflects the needs of the residents and provides sustainability for the organisation.
- Ensure daily activity plans are reviewed to reflect the changing needs of the people they relate to, and work with staff to ensure evidence is collated.
- Establish an Equality, Diversity and Inclusion Committee involving staff volunteers to ensure we are a fair organisation, recognising our different backgrounds, cultures and abilities. We will draw on the experience of an external consultant to help support this work.
- Focus our training programme for new starters on the Care Certificate and thereafter onto NVQ 2 and 3, as well as our mandatory training. Ensure the programme is effectively upskilling nurses to deliver latest best practice health care, identifying any development opportunities to further improve standards of person-centred care.
- Provide refresher Safeguarding training to the management team and Safeguarding champions and continue roll out of the training to new staff and refresher training to existing staff.
- Work to continuously develop the communication plan, further advancing opportunities for residents to communicate with others and express themselves.
- Build on existing relationships with external stakeholders, including health professionals, local authority multidisciplinary teams and adult safeguarding boards.
- Implement GDPR plans to ensure the organisation meets the latest legal requirements.

We will measure our performance against all these objectives.

Martha Trust
(A company limited by guarantee)

Trustees' report (continued)
For the year ended 31 December 2020

d. Activities for achieving objectives

Martha Trust strives to be an organisation that adapts and evolves to reflect the changing values and principles within our society, whilst reacting to the changing needs of our residents, staff and stakeholders. We endeavour to proactively respond to external influences such as government policy and changing legislation, taking a long-term strategic approach.

By recognising the complex needs of those we support, we also recognise the responsibility we have in ensuring that we protect the long term sustainability of the organisation and are able to provide residents with the caring home they deserve – and in doing so setting new industry standards of excellence.

We are passionate about supporting people with PMLD to lead a full and contented life. We achieve this by recognising and respecting people as unique individuals, encouraging and supporting everyone to be involved and engaged in the world around them and promoting good health and holistic well-being.

Covid-19 Pandemic

The emergence of the Covid-19 pandemic early in the year has created huge challenges for Martha Trust during 2020, which have affected our ability to deliver against some of our agreed objectives. In addition, the impact of the pandemic has enforced the closure of respite and day care services for the foreseeable future and temporarily delayed the filling of the three residential vacancies at the end of the year.

Our priority this year has been ensuring the health and safety of our residents and staff, involving compliance with constantly evolving government and Public Health England guidelines and resultant widespread changes to the operation of the service. Despite some inevitable outbreaks of the virus, stringent Infection Prevention & Control measures, together with the amazing commitment of staff across the organisation, have helped to limit the number and severity of cases.

Strategy

The Strategy Review Sub-Committee has continued its work, meeting monthly to consider Martha Trust's current position, analyse the last five years of financial information and develop a business plan for the next 3 years, taking into consideration 'Going concern'. Using this information and current economic factors, particularly from funders and fundraising supporters, the Committee will prepare a long-term strategy for the full board to consider in 2021.

Families

We continue to be committed to working alongside families, recognising their wealth of knowledge, listening to feedback and ideas which will improve the experience for those involved and create meaningful relationships for the benefit of everyone. During 2020, we have introduced virtual family forums, which have enabled family members from the two Martha sites to meet for the first time. In addition, the Parent Representative Group have held virtual meetings with the home management teams on a weekly basis during the pandemic, to ensure inclusivity and the efficient dissemination of information to the wider families.

The 2020 family feedback questionnaire was distributed to all 50 families including those of our respite clients. Overall results were more positive for the second year running in most areas. All the families that completed the questionnaire rated us as good or excellent in all questions in the 'Overall' section with each saying they would recommend Martha.

It is also worth highlighting that once again all responders to the 2020 survey answered good or excellent to 'being made to feel welcome' in the homes and 'feeling able to raise a concern if they had to.'

Martha Trust
(A company limited by guarantee)

Trustees' report (continued)
For the year ended 31 December 2020

Operations

In 2020 there were some changes to the senior management team (SMT) at Martha. Claire Doe was promoted to Associate Director for People and Culture and we welcomed Alice Moir, Marketing Manager, to the SMT. We have had a very focused care management team across the organisation this year, who have worked tirelessly to keep the homes as Covid-free as possible. Alongside the existing responsibilities of managing the delivery of a high standard of care, 2020 has been a challenging year for the team. A Covid Response WhatsApp group was formed involving the SMT and home management team, together with the Parent Representatives, with daily Zoom operations meetings during any Covid outbreaks. This proved invaluable in terms of offering support and ensuring consistency in decision-making to deal with the pandemic. We also continued to hold virtual, six weekly Clinical Governance Meetings.

Continuous Improvement Plans (CIP) form the basis of improving the quality of the services we offer. Each site has a CIP based on the CQC Key Lines of Enquiry standards. Improvements identified from a range of sources, including CQC inspections, stakeholder questionnaires, safeguarding enquiries, audits and accident/incident forms, are added to the plan. Actions are agreed and allocated to the relevant individuals or teams, with progress reviewed on a monthly basis. This rolling plan ensures we can react quickly to areas of concern or innovative ideas, put more robust governance in place and evidence our ethos of being a learning organisation.

We continue to provide monthly information to several CCG Commissioning Support Units on set Key Performance Indicators and are working with other funding authorities to provide more detailed information on the service we provide.

Construction of the two new rooms at Mary House was completed in 2018, to enable us to provide a home for two additional individuals with PMLD, together with an interactive computer suite. CQC initially refused registration but after a long appeal process, approval was granted in April 2020.

Our People

2020 was a very difficult year for the whole country and the care sector, and the staff across Martha Trust, once again, demonstrated their commitment and dedication to their roles and the residents here. This emphasised the importance of ensuring that the dedication of our staff team is recognised and valued and that we maximise our efforts to retain good staff.

The implemented People Plan was continued, ensuring that at all times our staff team have been supported, thanked, feel appreciated and valued. This is an ongoing project consisting of smaller acts of recognition and thanks rather than a one off large gesture, which can be more quickly forgotten, especially when times are challenging.

Previous feedback from the staffing teams had told us that the staff at Martha appreciate edible treats. Therefore, since the start of the pandemic, regular treats were provided to the homes during all shifts. These have generally been hand delivered by a member of the management team, who used the opportunity to check in with people and ensure they were okay.

At Easter everyone was gifted an Easter egg, and the summer saw the return of the popular staff raffle celebrating 'Carers' Week'. In addition to edible treats, every member of staff received a gift of hand or face cream, recognising the impact of wearing PPE for long periods of time.

At Christmas, as well as the popular 'Christmas boxes', we were delighted that family donations exceeded all expectations. This meant that the £20 gift vouchers given to all staff were paid for mostly by their contributions. All staff, across the organisation, received the gift as recognition that everyone worked hard and contributed in various ways through the year. This was not just with the efforts against Covid-19 but also in an organisational drive to bring down costs and increase efficiency. These efforts helped to improve the viability of the organisation and give staff job security.

Martha Trust
(A company limited by guarantee)

Trustees' report (continued)
For the year ended 31 December 2020

In addition to the ongoing smaller tokens of gratitude, it has been very important to ensure that people were paid fairly, and where possible, were supported financially during the pandemic. Anyone who was absent with a Covid-19 related issue was fully paid during his or her absence, and the rate paid for overtime shifts was increased to double time. A new incentive was also trialled and then implemented to recognise the impact on the work life balance of working weekends. As a result, all staff who work weekend shifts receive an additional 50p per hour. These increases were in addition to the annual pay review and subsequent pay increase.

A new policy was introduced to enable staff to request up to two days of their annual leave be paid, receiving this money in their December pay just before Christmas.

The other vital part of making our people feel valued is through providing communication that is both regular and two way. Strong efforts have been made to communicate clearly and on a regular basis and feedback from employees has been that they feel supported and are grateful for the ongoing efforts made to take on board feedback. When staff at Deal said they felt left out from the 'clap for carers' due to the remote location of the home, volunteers from the admin teams, trustees and some families, all came up for several weeks to the Deal site on Thursdays at 8pm, to clap and thank staff. The management teams on both sites have also picked up either Support Worker or domestic duties when needed, to demonstrate solidarity with the teams.

Training moved to a mixture of both online and face-to-face courses. This decision was made in order to trial online training, making financial savings and potentially opening access to a more diverse number of courses. This decision also enabled some online key courses, such as infection control and health and safety, to continue when the homes were in full lockdown, ensuring staff were well trained in priority areas.

Despite the challenges of delivering face-to-face training in-house during the pandemic, our commitment to robust safeguarding practices remains a priority. Modified, socially distanced training sessions were implemented in 2020 to ensure knowledge of the safeguarding policy was enhanced for existing employees and also introduced to new starters. Refresher training is planned for internal trainers and Safeguarding Champions with a safeguarding consultant, together with basic training for other staff.

The annual staff questionnaire was released to all Martha staff in January 2020. Although the Covid-19 dominated much of the work of the management team, we continued working towards being the best employer we can be.

In response to the questionnaire feedback, we were able to implement:

- An increase in pay for staff on the minimum wage to £9 per hour, plus an enhanced weekend incentive. A new Trustee-led Remuneration Committee has been introduced to ensure we continue to review our levels of pay and other incentives through the year, remaining competitive and fair.
- In recognition of the commitment of our staff throughout an extremely difficult year, we have surprised them with small gestures including cakes, vouchers and Christmas hampers for each shift.
- The response to the question of feeling able to communicate with supervisors and managers rose for the third time in six years to 84%. As always, communication is key to ensuring Martha Trust continues to evolve in an informed and positive way. Whilst the pandemic affected our ability to meet face to face, the well-established Staff Listening Group continues to provide a valuable exchange of information and ideas between the Senior Management Team and the staff. House meetings have been replaced with more regular written updates and staff surveys to gauge opinions and include staff in decisions.
- 92% of staff responded that they are given further training opportunities to develop their skills. In 2020, we introduced online training and increased the number of competencies available to upskill staff to progress to new roles.
- An amazing 82% of staff stated they were happy at work. The resilience, teamwork and atmosphere within the homes has shone throughout the year.
- Despite the challenges of 2020, 93% of staff agreed that Martha Trust is a good place to work. This was a reflection of the efforts of the management team to keep everyone at Martha safe. Communication of the ever-changing Covid-19 guidance was crucial, along with sourcing the adequate and correct PPE.

Martha Trust
(A company limited by guarantee)

Trustees' report (continued)
For the year ended 31 December 2020

Fundraising

When the planning and forecasting for 2020 took place we could never have envisaged the year that lay ahead. The Covid-19 pandemic impacted significantly on our ability to fundraise with little or no community and Face-to-Face fundraising in 2020.

With the majority of our fundraising events cancelled this year including our flagship events – Monte Carlo Madness (our annual car challenge) and Music on the Farm it left us with a significant gap in our unrestricted income.

The fundraising team reacted rapidly in dealing with the changes to the fundraising environment and sought out new opportunities and campaign activities in response to lockdown. This went some way to help make up the shortfall in income from the cancelled events. We also focussed on nurturing existing supporter relationships during this time.

In the latter part of the year, we held two Zoom Bingo events, which proved to be extremely successful, and had planned a Christmas drive in cinema double bill – sadly, this event had to be cancelled due to water logged fields.

One event we were able to go ahead with was our golf day at Prince's Golf Club. The event was adapted to fit the relevant social distancing guidelines and was a great success surpassing the forecasted income which was an amazing achievement considering the challenges faced. It demonstrated that by working closely with the venue and adapting elements of the event we were still able to deliver on income whilst ensuring Covid-19 safe event for our supporters.

Our Covid-19 appeal targeting existing supporters alongside applications to Emergency Covid-19 funds proved very successful and bridged a significant amount of the lost income from Face-to-Face fundraising in 2020.

General income was up on forecast, boosted by our lockdown fundraisers who took part in the 2.6k challenge or who took on a challenge of their own like Pat Wilson with her Masks4Martha, which raised an incredible £10,076 in 2020. Whilst donations from regular donors remains static.

We continue to build on support from local businesses and nurture relationships; we saw some success with local solicitors following a campaign for donations from the residual funds.

We were also fortunate to receive a significant legacy in 2020, which boosted our unrestricted income.

Our profile in the local communities within which we work continues to grow and we are spreading awareness further into Kent and Sussex. We continue to build good foundations in the Hastings area with key community groups. Our social media strategy continues to gather momentum with our Facebook followers up 15.5% on 2019 and Twitter remained static.

We end the year with our fundraising team (equivalent of 2.5 f/t roles) working well and delivering good returns in spite of the challenges of fundraising during a pandemic.

Achievements and performance

a. Key financial performance indicators

Although Martha Trust had a challenging year due to Covid-19, its financial performance in 2020 was a significant improvement on the two prior years. Total income was £5.71 million (2019: £5.26 million) and the surplus was £273,939 (2019: loss £156,007). A large part of this turnaround was due to increases in fee income which were effectively a partial catching-up after several years with limited increases. Room occupancy increased to 97.6% compared to 96.3% in 2019, although there were three vacancies at the end of 2020.

Martha Trust
(A company limited by guarantee)

Trustees' report (continued)
For the year ended 31 December 2020

Martha Trust continues to experience the impact from the erosion of real terms fee values overall but for the first time in recent years, all funding authorities awarded inflationary increases during 2020. We continue to challenge where fees have not kept pace with inflation and we have achieved some fee increases where individual residents' support needs have changed although these only fund the necessary increase in staffing cost to meet the residents' increased needs. Care enquiries are increasing for residents with more complex needs. It is important to ensure that when welcoming such new residents staffing of additional support in excess of the basic package is fully funded in order to ensure the long-term viability of Martha Trust as a home for all the residents

Covid had a significant impact on our finances in 2020. We had lost £40k of our events income, £58k in respite income, £30k in day care income and £86k due to delays in filling our vacancies because of Covid restrictions. Our expenditure increased by an additional £39k on PPE alone and there were many more additional costs because of Covid that we are not able to quantify. We were fortunate to receive £14k in grants, £108k additional Covid fees from our local authorities and £56k from the Government for furlough to help us through this difficult year.

Marketing of care services is still generating new care enquiries. We have further built on relationships with stakeholder authorities that resulted from marketing activity in recent years and we continue to engage with local funding authorities to enhance relationships with them. We now have a closer working relationship with authorities in Sussex and we continue to work with them to a greater extent than had been the case several years ago in respect of Mary House, Hastings. The level of new care enquiries in 2020 and after the balance sheet date has been high. This is partly due to our profile being raised through marketing and partly due to a particularly high level of demand in a time of shrinking service provision in South East England.

We have a continuing system of expenditure monitoring and control and a rigorous budgeting process. We negotiate with existing suppliers as well as potential new suppliers in order to source goods and services at the best possible price. Although there continue to be increases in costs due to operational needs we have achieved efficiencies across the organisation with only slight increase in total cost.

The year ended with the following results:

- Total income £5.71m (2019: £5.26m)
- Expenditure £5.43m (2019: £5.41m)
- Surplus £0.3m (2019: Loss £0.2m)
- Percentage costs of management and administration 8.82% (2019: 6.93%)
- Occupancy 97.6% (2019: 96.3%)
- Balance Sheet total funds £4.6m (2019: £4.4m)

b. Review of activities

There were three new residential placements during the year. There were no new respite placement during the year because the respite service was suspended for the foreseeable future in March 2020 due to Covid-19 and remains closed. Enquiries from families and clinical professionals seeking a possible placement continue to be at an encouraging level and residential rooms are very much in demand.

c. Investment policy and performance

The investment policy agreed by the Trustees is to place funds in cash deposits on fixed and short-term arrangements but with the primary objective of ensuring Martha Trust's cash flow requirements are met.

d. Factors relevant to achieve objectives

Our staff team works as seamlessly as possible to ensure that occupancy is maximised and that care is provided to not just meet residents' needs but to make a real difference to their lives. Some of the major challenges are outlined in a later section of this report but we ensure that everyone has their needs regularly reassessed and that full and comprehensive care plans, risk assessments and other important documentation are in place and regularly updated.

Martha Trust
(A company limited by guarantee)

Trustees' report (continued)
For the year ended 31 December 2020

Financial review

a. Going concern

After considering the current and prospective financial position, the Trustees have a reasonable expectation that the charity has adequate resources to continue in operational existence for the foreseeable future. For this reason, they continue to adopt the going concern basis in preparing the financial statements. Further details regarding the adoption of the going concern basis can be found in the Accounting Policies.

b. Financial risk management objectives and policies

Financial risk is minimised in several ways by Martha Trust. The ways we manage risk include seeking adequate fees for residents, effective cost control and proper appraisal of any developments. Martha Trust's policies and procedures detail financial risk management in all the ways this is embedded in our organisational culture.

c. Principal risks and uncertainties

In common with many providers of social care and health services, Martha Trust faces risks and uncertainties regarding the sustainability of fee levels in the long term. As noted above there have not been sufficient fee increases to cover inflationary pressures in full. Costs in the care sector are rising faster than general inflation. Regulation and good practice have caused notable cost increases as we need to spend more on maintaining and enhancing the quality of care. The Trustees have always believed it is absolutely correct for stakeholders to have confidence that our service is safe, effective, caring, responsive and well led. Securing funding for the essential spending that is increasingly required remains very challenging.

Staffing costs continue to be impacted by increases in National Living Wage (NLW). Although some funding authorities have increased fee levels, those increases do not come close to cover the increase in wage costs. This results in continued pressure on resources and a greater challenge in maintaining financial stability.

We believe Martha Trust can thrive in the long term and can overcome the challenges we face. Some other care providers have suffered fee reductions but, with one exception, we have not. We have developed relationships with funding authorities where in previous years there was no relationship. By working to resist pressure on fees, by nurturing relationships with stakeholders, by increasing the number of rooms and by maximising our bed occupancy level we continue to meet risk with concerted action and therefore safeguard the future of Martha Trust.

d. Principal funding

The main source of income for Martha Trust is from contracts with local authorities and CCGs. Since Martha Trust provides care for people drawn from all parts of the UK, the charity has cultivated and maintained a wide range of relationships and is not dependent upon any one funder.

In addition, Martha Trust has, over several years, developed a marketing strategy specifically for its care services that has broadened its reach, enabling it to source placements from a greater number of authorities. This will help to maximise overall occupancy levels and therefore fee income. Alongside this strategy we are working more closely with Sussex CCGs as well as with CCGs in Kent in order to source a higher level of placements from local areas.

Fundraising income provides for most of our capital expenditure including developments within our homes like new rooms and specialist equipment, as well as providing some unrestricted funding. Other than fees for services, no income is received from any statutory sources.

We are also grateful for the vital contributions by our supporters who help Martha Trust provide the level of service and care that we are all committed to. Without this support it would not be possible for the charity to continue to undertake its current level of service provision.

Martha Trust
(A company limited by guarantee)

Trustees' report (continued)
For the year ended 31 December 2020

We believe that giving to charity should be a positive experience, and to help make sure this is the case the charity has put in place a policy that seeks to ensure that the highest possible standards of fundraising practice are being adopted. This policy acknowledges the damaging impact an excessively aggressive approach to fundraising can have on vulnerable people, whether from unreasonably persistent approaches being made or undue pressure to give being applied, and great care is undertaken to ensure that such practices are not adopted by the charity. The charity voluntarily subscribes to the Fundraising Regulator, and complies with all aspects of its Code of Practice as well as ensuring its fundraising activity follows the principles set out under GDPR. All fundraising activity is carried out by our own in-house team and volunteers. The charity does not utilise the services of any external commercial fundraisers.

Martha welcomes feedback on its fundraising approach and seeks to make improvements wherever it can. Any complaints received in respect of our fundraising activities are taken very seriously and are acted upon immediately. We are pleased to report that during the year no complaints were received in respect of our fundraising activity.

e. Material investments policy

We do not participate in material investments.

Structure, governance and management

a. Constitution

The charity is registered as a charitable company limited by guarantee and was set up by a Trust Deed.

The principal object of the charity is to provide residential or 'inclusive care', for people with profound physical and multiple learning disabilities (PMLD), as well as respite services and support to families caring for people with PMLD.

b. Method of appointment or election of Trustees

The management of the charity is the responsibility of the Trustees who are elected and co opted under the terms of the Trust deed.

c. Policies adopted for the induction and training of Trustees

For all new Trustees we undertake a programme using the guidance from the Charity Commission under the heading of good governance.

We discuss with them the seven principles of Charity Governance Code:

- Organisational Purpose,
- Leadership,
- Integrity,
- Decision making, risk and control,
- Board Effectiveness,
- Equality, Diversity and Inclusion and
- Openness and Accountability,

to ensure that they have a full understanding of their responsibilities. In addition, new Trustees will attend a seminar on their responsibilities by a specialist charity firm during the first year of their Trusteeship at Martha Trust. New Trustees will also be allocated an experienced Trustee to guide them in their first six months of Trusteeship.

d. Pay policy for senior staff

The Trustees are able to claim reasonable travelling and other expenses properly incurred by them in connection with their attendance at meetings of Trustee Board, Committee or General meetings, or otherwise in connection with the discharge of their duties, but are not paid remuneration. Some Trustees choose to donate their expenses back to Martha Trust.

Martha Trust
(A company limited by guarantee)

Trustees' report (continued)
For the year ended 31 December 2020

All salaried roles at Martha, including those of the Directors and Chief Executive Officer, have been evaluated based on comparator market data by an independent HR consultancy, TRP Ltd, specialising in remuneration and reward issues.

e. Organisational structure and decision making

At the year end the Board of Trustees consisted of 7 Trustees, who are also Directors of Martha Trust for the purposes of company law, plus one co-opted family representative. The Senior Management Team consists of the Chief Executive Officer, Deputy CEO, Finance Director, Senior Registered Home Manager and Learning Disability Lead, Associate Director of People and Culture, and Marketing Manager.

There are four full Board Meetings per year, plus at least four Audit & Finance Committee Meetings. The Strategy Review Sub-Committee meets monthly and has three Trustee members. The Funding Strategy Group meets quarterly and has two trustees and one family representative. Care Improvement Committee meets quarterly and has one trustee and two family representatives. Remuneration Committee meets at least once a year and it has two trustees.

In terms of financial control, the Finance Director prepares revenue and capital budgets for the forthcoming financial year. The Audit and Finance Committee consider the budgets prior to the start of that year. Once agreed, budgets are presented to Trustees for approval. Additionally, regular forecasts are prepared and reviewed during each financial year.

The budgets and forecasts are the cornerstone for financial operations during the year.

Each of the two Martha sites has a Registered Home Manager (RHM), one of whom is also the Deputy CEO. The RHM of the Hastings site reports to the Deputy CEO. The RHM's are supported by 3.41 FTE Homes and Deputy Home Managers.

All new care policies or changes to existing care policies are reviewed and approved at the six weekly Clinical Governance Meetings which involve the full organisational management team.

f. 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 charity, and are satisfied that systems and procedures are in place to mitigate our exposure to the major risks.

Plans for future periods

a. Future developments

Continue to be an outstanding provider that others can aspire to by:

- Demonstrating our understanding of the needs of the residents at Martha Trust and ensuring we can evidence the impact of our support.
- Ensuring our services are safe, effective, caring, responsive and well-led.
- Working closely with CQC and funding authorities, aim to be outstanding in clinical knowledge and safeguarding with an emphasis on residents' needs.
- Being a leading provider in our work on communication with people with PMLD through traditional methods and using the latest technology.

Martha Trust
(A company limited by guarantee)

Trustees' report (continued)
For the year ended 31 December 2020

Generate sustainable funding and maximise resources to provide our residents with the best possible lives by:

- Growing, maximising and sustaining statutory, earned and fundraising income.
- Producing three-year budget plan, incorporating income and expenditure, to live within our means.
- Ensuring value for money by applying principles of economy, efficiency and effectiveness.
- Exploring redevelopment of under-utilised space to make best use of office space and opportunities for staff to work off site.

Operate a well-governed, efficient business, supporting and developing the staff and volunteers who work for us by:

- Ensuring our business is well-governed with alignment of strategy, business plan and financial sustainability.
- Managing our quality standards and risks effectively within our regulatory frameworks.
- Supporting, developing and managing our staff in the achievement of our objectives.

Risk Policy

The charity maintains a risk register which firstly identifies all risks and then has a scoring system to further identify major risks. The CEO is responsible for maintaining the register and the CEO discusses serious risks with the Trustees and the relevant subcommittee who will then agree whether it should be subject to a board paper and discussion.

Reserves Policy

At 31 December 2020, the Trustees considered it appropriate to increase free reserves held to equivalent of at least four month's expected general expenditure for one home (three month's in previous years), which is in the region of £540,000. The free reserves at 31 December 2020 amounted to £741,893. The Trustees are satisfied with the level of reserves held due to the level of higher risks and uncertainty within the care sector at the current time. The Trustees will continue to review reserves on a regular basis, in accordance with the Charity Commission guidance.

Remuneration and social investment policy

Martha Trust recognises the importance of a sound remuneration and benefits policy when it comes to attracting and retaining highly skilled and motivated staff. This policy cannot stand still in isolation and must be reviewed regularly in absolute terms and compared to other similar organisations to ensure its competitiveness.

Staff should be rewarded in relation to:

1. The level of responsibility and the value placed on comparable jobs within the Trust.
2. The value placed on comparable jobs in the local area.

In addition to an inflation linked review in January of each year, regular reviews will be carried out by the Chief Executive in conjunction with the Home Managers to ensure that Martha Trust remains competitive in respect of its pay and benefits policy generally.

We do not currently undertake any social investment and hence have no policy for this.

Martha Trust
(A company limited by guarantee)

Trustees' report (continued)
For the year ended 31 December 2020

Trustee Declaration

Each of the persons who are Trustees at the time when this Trustees' report is approved has confirmed that:

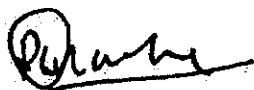
- So far as that Trustee is aware, there is no relevant audit information of which the charitable company's auditors are unaware, and
- That Trustee has taken all the steps that ought to have been taken as a Trustee in order to be aware of any relevant audit information and to establish that the charitable company's auditors are aware of that information.
- That Trustee had due regard to the Charity Commission's public benefit guidance when exercising any powers or duties to which the guidance is relevant.

The board of trustees welcomed the new Charity Governance Code published in December 2020. At the beginning of 2021, the trustees have already begun planning how to embrace its recommendations, especially as regards to Equality, Diversity and Inclusion. The trustees consider some of the new requirements of The Code aspirational and thus may face constraints in immediately implementing all of the recommendations of the code. Nevertheless, the board will continue to strive for continuous improvement, exploring possibilities for extending range of skills and experience of existing trustees.

Auditors

The auditors, Kreston Reeves LLP, have indicated their willingness to continue in office. The designated Trustees will propose a motion reappointing the auditors at a meeting of the Trustees.

Approved by order of the members of the board of Trustees and signed on their behalf by:



Humphrey Clarke
(Chair of Trustees)

Date: 18 August 2021

Martha Trust

(A company limited by guarantee)

Statement of Trustees' responsibilities For the year ended 31 December 2020

The Trustees (who are also the directors of the Charity for the purposes of company law) are responsible for preparing the Trustees' report including the Strategic report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

Company law requires the Trustees to prepare financial statements for each financial year. Under company law, the Trustees must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the Charity and of its incoming resources and application of resources, including its income and expenditure, for that period. In preparing these financial statements, the Trustees are required to:

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles of the Charities SORP (FRS 102);
- make judgements and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards (FRS 102) have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Charity will continue in business.

The Trustees are responsible for keeping adequate accounting records that are sufficient to show and explain the Charity's transactions and disclose with reasonable accuracy at any time the financial position of the Charity and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the Charity and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

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

Martha Trust
(A company limited by guarantee)

Independent auditors' report to the Members of Martha Trust

Opinion

We have audited the financial statements of Martha Trust (the 'charity') for the year ended 31 December 2020 which comprise the Statement of financial activities, the Balance sheet, the Statement of cash flows and the related notes, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the charitable company's affairs as at 31 December 2020 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 United Kingdom, including the Financial Reporting Council'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

In auditing the financial statements, we have concluded that the Trustees' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the charitable company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the Trustees with respect to going concern are described in the relevant sections of this report.

Martha Trust
(A company limited by guarantee)

Independent auditors' report to the Members of Martha Trust (continued)

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 Auditors' report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

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

We have nothing to report in this regard.

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 Trustees' report including the Strategic report for the financial year for which the financial statements are prepared is consistent with the financial statements.
- the Trustees' report and the Strategic report have been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of our 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 Trustees' report including the Strategic report.

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

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

Responsibilities of trustees

As explained more fully in the Trustees' responsibilities statement, 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.

Independent auditors' report to the Members of Martha Trust (continued)

Auditors' responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an Auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

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

Based on our understanding of the charitable company and industry, and through discussion with the directors and other management (as required by auditing standards), we identified that the principal risks of non-compliance with laws and regulations related to safeguarding, health and safety, Care Quality Commission inspection reports and fundraising practices and employment law. We considered the extent to which non-compliance might have a material effect on the financial statements. We also considered those laws and regulations that have a direct impact on the preparation of the financial statements such as the Companies Act 2006 and taxation legislation. We communicated identified laws and regulations throughout our team and remained alert to any indications of non-compliance throughout the audit. We evaluated management's incentives and opportunities for fraudulent manipulation of the financial statements (including the risk of override of controls), and determined that the principal risks were related to management bias in accounting estimates and judgemental areas of the financial statements. Audit procedures performed by the engagement team included:

- Discussions with management and assessment of known or suspected instances of non-compliance with laws and regulations (including health and safety, Care Quality Commission inspection reports and fundraising practices) and fraud; and
- Assessment of identified fraud risk factors; and
- Challenging assumptions and judgements made by management in its significant accounting estimates; and
- Performing analytical procedures to any unusual or unexpected relationships that may indicate risks of material misstatement due to fraud; and
- Confirmation of related parties with management, and review of transactions throughout the period to identify any previously undisclosed transactions with related parties outside the normal course of business; and
- Reading minutes of meetings of those charged with governance.

There are inherent limitations in the audit procedures described above and the further removed non-compliance with laws and regulations is from the events and transactions reflected in the financial statements, the less likely we would become aware of it. Also, the risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error, as fraud may involve deliberate concealment by, for example, forgery or intentional misrepresentations, or through collusion.

Martha Trust
(A company limited by guarantee)

Independent auditors' report to the Members of Martha Trust (continued)

As part of an audit in accordance with ISAs (UK), we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion of the effectiveness of the charitable company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Trustees.
- Conclude on the appropriateness of the Trustees' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the charitable company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our Auditors' report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our Auditors' report. However, future events or conditions may cause the charitable company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

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 its members, as a body, for our audit work, for this report, or for the opinions we have formed.

Kreston Reeves LLP

Samantha Rouse FCCA DChA (Senior statutory auditor)

for and on behalf of
Kreston Reeves LLP

Statutory Auditor
Chartered Accountants

Canterbury

19 August 2021

Martha Trust
(A company limited by guarantee)

Statement of financial activities (incorporating income and expenditure account)
For the year ended 31 December 2020

	Note	Unrestricted funds 2020 £	Restricted funds 2020 £	Total funds 2020 £	Total funds 2019 £
Income from:					
Donations and legacies	3	230,623	40,387	271,010	252,741
Charitable activities	4	5,327,113	107,519	5,434,632	5,003,521
Other income	5	776	-	776	2,588
Total income		5,558,512	147,906	5,706,418	5,258,850
Expenditure on:					
Raising funds	6	111,841	-	111,841	141,264
Charitable activities	7	5,247,058	73,580	5,320,638	5,273,593
Total expenditure		5,358,899	73,580	5,432,479	5,414,857
Net income/(expenditure)		199,613	74,326	273,939	(156,007)
Transfers between funds	15	3,000	(3,000)	-	-
Net movement in funds		202,613	71,326	273,939	(156,007)
Reconciliation of funds:					
Total funds brought forward		3,758,749	606,069	4,364,818	4,520,825
Net movement in funds		202,613	71,326	273,939	(156,007)
Total funds carried forward		3,961,362	677,395	4,638,757	4,364,818

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

The notes on pages 23 to 42 form part of these financial statements.

Martha Trust
(A company limited by guarantee)
Registered number: 03467406

Balance sheet
As at 31 December 2020

	Note	2020 £	2019 £
Fixed assets			
Tangible assets	11	4,949,890	5,115,264
		<u>4,949,890</u>	<u>5,115,264</u>
Current assets			
Debtors	12	518,732	341,012
Cash at bank and in hand		593,681	435,175
		<u>1,112,413</u>	<u>776,187</u>
Creditors: amounts falling due within one year	13	(390,577)	(375,943)
Net current assets		<u>721,836</u>	<u>400,244</u>
Total assets less current liabilities		<u>5,671,726</u>	<u>5,515,508</u>
Creditors: amounts falling due after more than one year	14	(1,032,969)	(1,150,690)
Total net assets		<u><u>4,638,757</u></u>	<u><u>4,364,818</u></u>
Charity funds			
Restricted funds	15	677,395	606,069
Unrestricted funds			
Designated funds	15	3,015,334	3,077,256
General funds	15	741,893	477,358
Revaluation reserve		204,135	204,135
Total unrestricted funds	15	<u>3,961,362</u>	<u>3,758,749</u>
Total funds		<u><u>4,638,757</u></u>	<u><u>4,364,818</u></u>

The financial statements were approved and authorised for issue by the Trustees and signed on their behalf by:


Humphrey Clarke
Chairman

Date: 18 August 2021

The notes on pages 23 to 42 form part of these financial statements.

Martha Trust
(A company limited by guarantee)

Statement of cash flows
For the year ended 31 December 2020

	Note	2020 £	2019 £
Cash flows from operating activities			
Net cash used in operating activities	18	364,388	280,784
Cash flows from investing activities			
Dividends, interests and rents from investments		(52,529)	(49,731)
Purchase of tangible fixed assets		(50,730)	(80,757)
Net cash used in investing activities		(103,259)	(130,488)
Cash flows from financing activities			
Repayments of borrowing		(102,623)	(110,204)
Net cash used in financing activities		(102,623)	(110,204)
Change in cash and cash equivalents in the year		158,506	40,092
Cash and cash equivalents at the beginning of the year		435,175	395,083
Cash and cash equivalents at the end of the year	19	593,681	435,175

The notes on pages 23 to 42 form part of these financial statements

Martha Trust
(A company limited by guarantee)

Notes to the financial statements
For the year ended 31 December 2020

1. General information

Martha Trust is a charity, limited by guarantee, domiciled in England and Wales, registration number 03467406.

The registered office is Homemead Lane, Hacklinge, Deal, Kent, CT14 0PG.

2. Accounting policies

2.1 Basis of preparation of financial statements

The financial statements 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 2019), the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) and the Companies Act 2006.

Martha Trust meets the definition of a public benefit entity under FRS 102. Assets and liabilities are initially recognised at historical cost or transaction value unless otherwise stated in the relevant accounting policy.

The financial statements have been prepared to give a 'true and fair' view and have departed from the Charities (Accounts and Reports) Regulations 2008 only to the extent required to provide a 'true and fair' view. This departure has involved following the Charities SORP (FRS 102) published on 16 July 2014 rather than the Accounting and Reporting by Charities; Statement of Recommended Practice effective from 1 April 2005 which has since been withdrawn.

The charity's functional currency is Pounds Sterling.

The charity's financial statements are presented to the nearest pound.

2.2 Company status

The charity is a company limited by guarantee. The members of the company are the Trustees named on page 1. In the event of the charity being wound up, the liability in respect of the guarantee is limited to £10 per member of the charity.

2.3 Fund accounting

General funds are unrestricted funds which are available for use at the discretion of the Trustees in furtherance of the general objectives of the Charity and which have not been designated for other purposes.

Designated funds comprise unrestricted funds that have been set aside by the Trustees for particular purposes. The aim and use of each designated fund is set out in the notes to the financial statements.

Restricted funds are funds which are to be used in accordance with specific restrictions imposed by donors or which have been raised by the Charity for particular purposes. The costs of raising and administering such funds are charged against the specific fund. The aim and use of each restricted fund is set out in the notes to the financial statements.

Martha Trust
(A company limited by guarantee)

Notes to the financial statements
For the year ended 31 December 2020

2. Accounting policies (continued)

2.4 Income

All income is recognised once the Charity has entitlement to the income, it is probable that the income will be received and the amount of income receivable can be measured reliably.

For legacies, entitlement is taken as the earlier of the date on which either; the charity is aware that probate has been granted, the estate has been finalised and notification has been made by the executor(s) to the Trust that a distribution will be made, or when a distribution is received from the estate. Receipt of a legacy, in whole or in part, is only considered probable when the amount can be measured reliably and the charity has been notified of the executor's intention to make a distribution. Where legacies have been notified to the charity, or the charity is aware of the granting of probate, and the criteria for income recognition have not been met, then the legacy is treated as a contingent asset and disclosed if material.

Gifts in kind donated for distribution are included at valuation and recognised as income when they are distributed to the projects. Gifts donated for resale are included as income when they are sold. Donated facilities are included at the value to the charity where this can be quantified and a third party is bearing the cost. No amounts are included in the financial statements for services donated by volunteers.

Donated services or facilities are recognised when the charity has control over the item, any conditions associated with the donated item have been met, the receipt of economic benefit from the use of the charity of the item is probable and that economic benefit can be measured reliably. In accordance with the Charities SORP (FRS 102), the general volunteer time of the Friends is not recognised and refer to the Trustees' report for more information about their contribution.

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

Income tax recoverable in relation to donations received under Gift Aid or deeds of covenant is recognised at the time of the donation.

Income tax recoverable in relation to investment income is recognised at the time the investment income is receivable.

Other income is recognised in the period in which it is receivable and to the extent the goods have been provided or on completion of the service.

Martha Trust
(A company limited by guarantee)

Notes to the financial statements
For the year ended 31 December 2020

2. Accounting policies (continued)

2.5 Expenditure

Expenditure is recognised once there is a legal or constructive obligation to transfer economic benefit to a third party, it is probable that settlement will be required and the amount of the obligation can be measured reliably.

All expenditure is accounted for on an accruals basis. All expenses including support costs and governance costs are allocated to the applicable expenditure headings.

Fundraising costs are those incurred in seeking voluntary contributions and do not include the costs of disseminating information in support of the charitable activities. Support costs are those costs incurred directly in support of expenditure on the objects of the charity and include project management carried out at the Headquarters. Governance costs are those incurred in connection with administration of the charity and compliance with constitutional and statutory requirements.

Irrecoverable VAT is charged against the expenditure heading for which it was incurred.

2.6 Going concern

While the impact of the COVID-19 pandemic has been assessed by the trustees so far as reasonably possible, due to its unprecedented impact on the wider economy, it is difficult to evaluate with any certainty the potential outcomes on the charities activities, its residents and suppliers. However, taking into consideration the UK Government's response, its range of measures to support businesses and the charities own reserves and planning, the trustees have reasonable expectation that the charity will continue its activities for the foreseeable future. For this reason they continue to adopt the going concern basis in preparing the financial statements.

2.7 Government grants

Government grants relating to tangible fixed assets are treated as deferred income and released to the Statement of financial activities over the expected useful lives of the assets concerned. Other grants are credited to the Statement of financial activities as the related expenditure is incurred.

2.8 Tangible fixed assets and depreciation

Tangible fixed assets costing £1,000 or more are capitalised.

Tangible fixed assets are carried at cost or deemed cost, net of depreciation and any provision for impairment. Deemed cost represents the fair value of certain freehold properties owned by the charity, at the date of transition to FRS 102, 1 January 2014. Under the cost mode, freehold property will not be subject to further valuations.

Martha Trust
(A company limited by guarantee)

Notes to the financial statements
For the year ended 31 December 2020

2. Accounting policies (continued)

2.8 Tangible fixed assets and depreciation (continued)

Depreciation is not charged on freehold land. Depreciation is provided from when assets become available for use at rates calculated to write off the cost or deemed cost of fixed assets, less their estimated residual value, over their expected useful lives on the following bases:

Freehold property	- 2% straight line
Motor vehicles	- 20% straight line
Fixtures and fittings	- 10% - 20% straight line
Freehold land	- not depreciated

The assets' residual values, useful lives and depreciation methods are reviewed, and adjusted prospectively if appropriate, or if there is an indication of a significant change since the last reporting date.

2.9 Interest receivable

Interest on funds held on deposit is included when receivable and the amount can be measured reliably by the charity; this is normally upon notification of the interest paid or payable by the Bank.

2.10 Operating leases

Rentals paid under operating leases are charged to the Statement of financial activities on a straight line basis over the lease term.

2.11 Debtors

Trade and other debtors are recognised at the settlement amount after any trade discount offered. Prepayments are valued at the amount prepaid net of any trade discounts due.

2.12 Cash at bank and in hand

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

2.13 Creditors and provisions

Creditors and provisions are recognised when the charity has a present obligation resulting from a past event that will probably result in a 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 trade discounts due.

2.14 Financial instruments

The charity only 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 measured at their settlement value with the exception of bank loans which are subsequently measured at amortised cost using the effective interest method.

Martha Trust
(A company limited by guarantee)

Notes to the financial statements
For the year ended 31 December 2020

2. Accounting policies (continued)

2.15 Judgements in applying accounting policies and key sources of estimation uncertainty

The preparation of the financial statements required the Trustees to make judgements, estimates and assumptions that can affect the amounts reported for assets and liabilities, and the results from the year. The nature of estimation is such though that actual outcomes could differ significantly from those estimates.

The following judgement has had the most significant impact on the amounts recognised in the financial statements:

The charity has recognised tangible fixed assets with a carrying value of £4,949,890 at the reporting date (see note 11). These assets are stated at their cost less provision for depreciation and impairment. The charity's accounting policy sets out the approach to calculating depreciation for immaterial assets acquired (see note 2.8). For material assets such as land and buildings the charity determines at acquisition reliable estimates for the useful life of the asset, its residual value and decommissioning costs. These estimates are based upon such factors as the expected use of the acquired asset and market conditions. At subsequent reporting dates the Trustees consider whether there are any factors such as technological advancements or changes in market conditions that indicate a need to reconsider the estimates used.

Where there are indicators that the carrying value of tangible assets may be impaired the charity undertakes tests to determine the recoverable amount of assets. These tests require estimates of the fair value of assets less cost to sell and of their value in use. Wherever possible the estimate of the fair value of assets is based upon observable market prices less incremental cost for disposing of the asset. The value in use calculation is based upon a discounted cash flow model, based upon the charity's forecasts for the foreseeable future which do not include any restructuring activities that the charity is not yet committed to or significant future investments that will enhance the asset's performance. The recoverable amount is most sensitive to the discount rate used for the discounted cash flow model as well expected future cash flows and the growth rate used for extrapolation purposes.

2.16 Finance leases and hire purchase

Assets obtained under hire purchase contracts and finance leases are capitalised as tangible fixed assets. Assets acquired by finance lease are depreciated over the shorter of the lease term and their useful lives. Assets acquired by hire purchase are depreciated over their useful lives. Finance leases are those where substantially all of the benefits and risks of ownership are assumed by the Charity. Obligations under such agreements are included in creditors, net of the finance charge allocated to future periods. The finance element of the rental payment is charged to the Statement of financial activities so as to produce a constant periodic rate of charge on the net obligation outstanding in each period.

2.17 Pensions

The charity operates a defined contribution pension scheme and the pension charge represents the amounts payable by the Charity to the fund in respect of the year.

Martha Trust
(A company limited by guarantee)

Notes to the financial statements
For the year ended 31 December 2020

3. Income from donations and legacies

	Unrestricted funds 2020 £	Restricted funds 2020 £	Total funds 2020 £	Total funds 2019 £
Donations	174,951	26,387	201,338	252,741
Grants - Covid-19	-	14,000	14,000	-
Government grants - Furlough	55,672	-	55,672	-
Total 2020	230,623	40,387	271,010	252,741
Total 2019	215,595	37,146	252,741	

4. Income from charitable activities

	Unrestricted funds 2020 £	Restricted funds 2020 £	Total funds 2020 £	Total funds 2019 £
Residential and day care fees	5,327,113	-	5,327,113	5,003,521
Covid-19 fees	-	107,519	107,519	-
Total 2020	5,327,113	107,519	5,434,632	5,003,521
Total 2019	5,003,521	-	5,003,521	

5. Other incoming resources

	Unrestricted funds 2020 £	Total funds 2020 £	Total funds 2019 £
Other	776	776	2,588
Total 2019	2,588	2,588	

Martha Trust
(A company limited by guarantee)

Notes to the financial statements
For the year ended 31 December 2020

6. Expenditure on raising funds

Costs of raising voluntary income

	Unrestricted funds 2020 £	Total funds 2020 £	Total funds 2019 £
Events and publicity costs	26,453	26,453	37,253
Legal and professional	1,459	1,459	1,356
General office costs	900	900	3,963
Maintenance/Utilities/Sundry	1,334	1,334	1,203
Salaries to generate income	81,695	81,695	97,489
Total 2020	111,841	111,841	141,264
Total 2019	141,264	141,264	

7. Analysis of expenditure on charitable activities

Summary by fund type

	Unrestricted funds 2020 £	Restricted funds 2020 £	Total funds 2020 £	Total funds 2019 £
Residential and day care costs	5,247,058	73,580	5,320,638	5,273,593
Total 2019	5,235,387	38,206	5,273,593	

Martha Trust
(A company limited by guarantee)

Notes to the financial statements
For the year ended 31 December 2020

8. Analysis of expenditure by activities

	Activities undertaken directly 2020 £	Support costs 2020 £	Total funds 2020 £	Total funds 2019 £
Residential and day care costs	4,841,421	479,217	5,320,638	5,273,593
Total 2019	4,898,105	375,488	5,273,593	

Analysis of direct costs

	Residential and day care 2020 £	Total funds 2020 £	Total funds 2019 £
Staff costs	3,351,793	3,351,793	3,286,878
Depreciation	192,370	192,370	210,780
Establishment costs	1,297,258	1,297,258	1,400,447
Total 2020	4,841,421	4,841,421	4,898,105
Total 2019	4,898,105	4,898,105	

Martha Trust
(A company limited by guarantee)

Notes to the financial statements
For the year ended 31 December 2020

8. Analysis of expenditure by activities (continued)

Analysis of support costs

	Residential and day care 2020 £	Total funds 2020 £	Total funds 2019 £
Wages and salaries	374,823	374,823	245,185
Depreciation	21,297	21,297	21,138
Establishment costs	327	327	320
Travel and subsistence	2,468	2,468	4,334
Insurance	1,813	1,813	2,095
Maintenance, cleaning and repairs	16,481	16,481	12,350
Print, post and stationery	1,685	1,685	1,898
Telephone and fax	1,239	1,239	2,230
Operating lease rentals and equipment	8,427	8,427	8,741
Staff training	7,989	7,989	2,280
General expenses	1,432	1,432	1,018
Bank charges and interest	1,988	1,988	2,050
IT Costs	6,872	6,872	490
Legal and professional fees	23,290	23,290	57,672
Publicity and communications	686	686	4,992
Governance costs	8,400	8,400	8,695
Total 2020	479,217	479,217	375,488

9. Net income/(expenditure)

This is stated after charging:

	2020 £	2019 £
Depreciation of tangible fixed assets:	213,667	231,918
- owned by the charity		
Auditors' remuneration - audit	8,400	8,400
Operating lease rentals	8,427	15,350

During the year, no Trustees received any remuneration (2019: £NIL).

During the year, no Trustees received any benefits in kind (2019: £NIL).

No Trustees received reimbursement of expenses in the current year, (2019: 2 Trustees - £195).

Martha Trust
(A company limited by guarantee)

Notes to the financial statements
For the year ended 31 December 2020

10. Staff costs

	2020 £	2019 £
Wages and salaries	3,470,013	3,326,091
Social security costs	282,233	252,137
Contribution to defined contribution pension schemes	56,065	51,324
	<u>3,808,311</u>	<u>3,629,552</u>

During the year there were termination payments for two employees totaling £6,608 (2019: four employees totaling £26,735) included within wages and salaries. As at December 2020, no amounts were due to the employee. The termination payments in 2020 were for ex gratia payments, by way of compensation for the termination of the employment.

The average number of persons employed by the Charity during the year was as follows:

	2020 No.	2019 No.
Employees	173	181

The number of employees whose employee benefits (excluding employer pension costs) exceeded £60,000 was:

	2020 No.	2019 No.
In the band £60,001 - £70,000	1	1
In the band £70,001 - £80,000	1	1

The total salaries received by key management personnel was £305,882 (2019: £266,563). Employer pension contributions were a total of £8,643 (2019: £6,798) and employer national insurance contributions were a total of £35,131 (2019: £29,952).

11. Tangible fixed assets

	Freehold property £	Motor vehicles £	Fixtures and fittings £	Total £
Cost or valuation				
At 1 January 2020	6,260,745	118,739	1,253,589	7,633,073
Additions	-	-	50,730	50,730
Disposals	-	-	(32,033)	(32,033)
At 31 December 2020	<u>6,260,745</u>	<u>118,739</u>	<u>1,272,286</u>	<u>7,651,770</u>

Martha Trust
(A company limited by guarantee)

Notes to the financial statements
For the year ended 31 December 2020

11. Tangible fixed assets (continued)

	Freehold property £	Motor vehicles £	Fixtures and fittings £	Total £
Depreciation				
At 1 January 2020	1,523,505	102,169	892,135	2,517,809
Charge for the year	112,503	8,048	93,116	213,667
On disposals	-	-	(29,596)	(29,596)
At 31 December 2020	<u>1,636,008</u>	<u>110,217</u>	<u>955,655</u>	<u>2,701,880</u>
Net book value				
At 31 December 2020	<u>4,624,737</u>	<u>8,522</u>	<u>316,631</u>	<u>4,949,890</u>
At 31 December 2019	<u>4,737,240</u>	<u>16,570</u>	<u>361,454</u>	<u>5,115,264</u>

Included in land and buildings is freehold land at a valuation of £716,575 (2019: £716,575), which is not depreciated.

Cost or valuation at 31 December 2020 is as follows:

	2020 £
At cost:	6,056,610
At valuation: 1998 at open market value	204,135
	<u>6,260,745</u>

If the land and buildings had not been included at valuation they would have been included under the historical cost convention as follows:

	2020 £	2019 £
Cost	6,056,610	6,056,610
Accumulated depreciation	(1,473,961)	(1,369,175)
	<u>4,582,649</u>	<u>4,687,435</u>

Martha Trust
(A company limited by guarantee)

Notes to the financial statements
For the year ended 31 December 2020

12. Debtors

	2020 £	2019 £
Trade debtors	428,621	288,594
Other debtors	12,422	15,652
Prepayments and accrued income	77,689	36,766
	<u>518,732</u>	<u>341,012</u>

13. Creditors: Amounts falling due within one year

	2020 £	2019 £
Barclays Mortgage	58,128	46,218
Charity Bank Loan 1	-	2,577
Charity Bank Loan 2	27,843	24,809
Charity Bank Loan 3	21,474	18,743
Trade creditors	60,327	81,633
Other taxation and social security	69,667	57,744
Other creditors	39,848	106,749
Accruals and deferred income	113,290	37,470
	<u>390,577</u>	<u>375,943</u>

Deferred income

Deferred income as at 1 January 2020 is £11,866. There have been resources deferred during the year of £24,142. £11,866 has been released relating to deferred income in previous years. The deferred income as at 31 December 2020 is therefore £24,142.

Deferred income is in relation to fees received in advance.

Martha Trust
(A company limited by guarantee)

Notes to the financial statements
For the year ended 31 December 2020

14. Creditors: Amounts falling due after more than one year

	2020 £	2019 £
Barclays Mortgage	191,480	260,412
Charity Bank Loan 2	432,894	454,089
Charity Bank Loan 3	408,595	436,189
	<u>1,032,969</u>	<u>1,150,690</u>

The aggregate amount of liabilities payable or repayable wholly or in part more than five years after the reporting date is:

	2020 £	2019 £
Repayable by installments	678,038	782,815
	<u>678,038</u>	<u>782,815</u>

The Barclays Mortgage is secured by way of a charge over the charity's land and buildings at Martha House. The mortgage is repayable in installments until 2023 for £76,840 and until 2028 for the remaining £172,768. During the year, the mortgage bore interest at a flexible rate of 1% over the Barclays Base Rate.

Charity Bank holds a fixed legal charge over the freehold property that is Mary House in Hastings. The two loans are repayable by way of the following:

Charity Bank loan 2 is repayable in installments until 2033 and bears interest at a rate of 3.39%. The outstanding balance of this loan as at 31 December 2020 was £436,438.

Charity Bank loan 3 is repayable in installments until 2037 and bears interest at a rate of 3.39%. The outstanding balance of this loan as at 31 December 2020 was £454,368.

Martha Trust
(A company limited by guarantee)

Notes to the financial statements
For the year ended 31 December 2020

15. Statement of funds

Statement of funds - current year

	Balance at 1 January 2020 £	Income £	Expenditure £	Transfers In/out £	Balance at 31 December 2020 £
Unrestricted funds					
Designated funds					
Designated fixed asset fund	3,077,256	-	-	(61,922)	3,015,334
General funds					
General Funds	477,358	5,558,512	(5,358,899)	64,922	741,893
Revaluation reserve	204,135	-	-	-	204,135
	681,493	5,558,512	(5,358,899)	64,922	946,028
Total Unrestricted funds	3,758,749	5,558,512	(5,358,899)	3,000	3,961,362
Restricted funds					
Frances House	230,556	450	(450)	-	230,556
Mary House	358,049	1,250	(1,476)	(500)	357,323
Martha House	2,231	39	-	-	2,270
Deal Water Garden	400	-	-	-	400
Deal Staff Fund	842	270	(190)	-	922
Making Music Accessible	111	-	(111)	-	-
Carriage Riding	630	30	(660)	-	-
Core restricted	13,250	-	(13,250)	-	-
Masonic Lodge Beds	-	16,908	-	-	16,908
Staff Christmas Fund	-	2,740	(2,740)	-	-
Local Authority - Covid-19	-	107,519	(38,503)	-	69,016
KCF - Covid-19 grant	-	4,000	(4,000)	-	-
National Lottery - Covid Community Support Fund	-	4,700	(2,200)	(2,500)	-
Covid-19	-	10,000	(10,000)	-	-
	606,069	147,906	(73,580)	(3,000)	677,395
Total of funds	4,364,818	5,706,418	(5,432,479)	-	4,638,757

Martha Trust
(A company limited by guarantee)

Notes to the financial statements
For the year ended 31 December 2020

15. Statement of funds (continued)

Statement of funds - prior year

	Balance at 1 January 2019 £	Income £	Expenditure £	Transfers in/out £	Balance at 31 December 2019 £
Unrestricted funds					
Designated funds					
Designated fixed asset fund	3,097,287	-	-	(20,031)	3,077,256
General funds					
General Funds	605,350	5,221,704	(5,369,727)	20,031	477,358
Revaluation reserve	204,135	-	-	-	204,135
	809,485	5,221,704	(5,369,727)	20,031	681,493
Total Unrestricted funds	3,906,772	5,221,704	(5,369,727)	-	3,758,749
Restricted funds					
Frances House	230,001	595	(40)	-	230,556
Mary House	363,821	9,140	(14,912)	-	358,049
Martha House	20,231	-	(18,000)	-	2,231
Deal Water Garden	-	1,000	(600)	-	400
Deal Staff Fund	-	1,790	(948)	-	842
Making Music Accessible	-	506	(395)	-	111
Carriage Riding	-	630	-	-	630
Core restricted	-	23,485	(10,235)	-	13,250
	614,053	37,146	(45,130)	-	606,069
Total of funds	4,520,825	5,258,850	(5,414,857)	-	4,364,818

Martha Trust
(A company limited by guarantee)

Notes to the financial statements
For the year ended 31 December 2020

Designated fixed asset fund

This represents the book value of fixed assets less any associated liabilities and are not deemed to be freely available funds by the Trustees.

Designated build fund

The designated build fund represents the charity's own financial investment in the development of Mary House.

Frances House

In 2007 £230,000 was donated by the Development Trust towards the extension at Frances House which provided three new places. This donation carries a restriction for a period of 21 years and requires that those three new residents at Frances House must not have previously lived at any other Martha Trust home. The restriction is secured by way of a legal charge over the property. In the opinion of the Trustees this criteria will be met and the likelihood of having to repay the money is considered remote.

Mary House

(i) This fund includes a donation of land and buildings in Hastings from The Agape Trust in 2004. The use to which the land and buildings could be put was restricted by the original donors, Blatchington Court Trust. The restriction requires Martha Trust to provide homes for a period of 99 years and at any one time at least four residents must be people under 31 years, of whom at least two must be visually impaired. This restriction applies to Martha Trust as a whole and not to Mary House individually. If this restriction is breached £350,000 is repayable to Blatchington Court Trust. In the opinion of the Trustees this criteria will be met and the likelihood of having to repay the money is considered to be remote. These restrictions will be waived on Martha Trust meeting certain criteria.

(ii) The remainder of the fund represents ongoing donations we have been receiving for the benefit of Mary House.

Martha House

This fund represents ongoing donations we have been receiving for the benefit of Martha House.

Deal Water Garden

This fund represents donations made to fund a water feature garden at Martha House.

Deal Staff Fund

This fund is for donations received towards staff entertainment.

Making Music Accessible

The grant was provided by Deal Town Council for a special disability changing facility, for Martha's Music on the Farm 2020 event to enable us to provide an inclusive accessible event for the whole community to enjoy. A smaller part of the grant was to fund Music Man sessions for our Deal residents.

Carriage Riding

A grant was provided by Whitehead Monckton Charitable Trust for residents to enjoy Carriage Riding at Alkham Valley.

Martha Trust
(A company limited by guarantee)

Notes to the financial statements
For the year ended 31 December 2020

Core restricted

This fund has been set up to secure core funding for ongoing costs we face as a charity, such as specialist equipment, training and the cost of providing activities to our residents. Grants secured from multiple funders.

Masonic Lodge Beds

This fund represents donations for 14 beds across Hastings and Deal.

Staff Christmas Fund

This fund represents donations from families and Trustees for the purchase of gift cards.

COVID Funds

There are four funds that represent grants received to enable the charity to purchase necessary PPE and equipment during COVID-19.

Transfers

During the year, the Trustees have designated funds representing the book value of the fixed assets less any associated borrowings as these are not deemed to be freely available funds by the Trustees.

16. Summary of funds

Summary of funds - current year

	Balance at 1 January 2020 £	Income £	Expenditure £	Transfers In/out £	Balance at 31 December 2020 £
Designated funds	3,077,256	-	-	(61,922)	3,015,334
General funds	681,493	5,558,512	(5,358,899)	64,922	946,028
Restricted funds	606,069	147,906	(73,580)	(3,000)	677,395
	<u>4,364,818</u>	<u>5,706,418</u>	<u>(5,432,479)</u>	<u>-</u>	<u>4,638,757</u>

Martha Trust
(A company limited by guarantee)

Notes to the financial statements
For the year ended 31 December 2020

16. Summary of funds (continued)

Summary of funds - prior year

	Balance at 1 January 2019 £	Income £	Expenditure £	Transfers in/out £	Balance at 31 December 2019 £
Designated funds	3,097,287	-	-	(20,031)	3,077,256
General funds	809,485	5,221,704	(5,369,727)	20,031	681,493
Restricted funds	614,053	37,146	(45,130)	-	606,069
	<u>4,520,825</u>	<u>5,258,850</u>	<u>(5,414,857)</u>	<u>-</u>	<u>4,364,818</u>

17. Analysis of net assets between funds

Analysis of net assets between funds - current period

	Unrestricted funds 2020 £	Restricted funds 2020 £	Total funds 2020 £
Tangible fixed assets	4,344,933	604,957	4,949,890
Current assets	1,039,975	72,438	1,112,413
Creditors due within one year	(390,577)	-	(390,577)
Creditors due in more than one year	(1,032,969)	-	(1,032,969)
Total	<u>3,961,362</u>	<u>677,395</u>	<u>4,638,757</u>

Analysis of net assets between funds - prior period

	Unrestricted funds 2019 £	Restricted funds 2019 £	Total funds 2019 £
Tangible fixed assets	4,509,195	606,069	5,115,264
Current assets	776,187	-	776,187
Creditors due within one year	(375,943)	-	(375,943)
Creditors due in more than one year	(1,150,690)	-	(1,150,690)
Total	<u>3,758,749</u>	<u>606,069</u>	<u>4,364,818</u>

Martha Trust
(A company limited by guarantee)

Notes to the financial statements
For the year ended 31 December 2020

18. Reconciliation of net movement in funds to net cash flow from operating activities

	2020 £	2019 £
Net income/expenditure for the period (as per Statement of Financial Activities)	273,939	(156,007)
Adjustments for:		
Depreciation charges	213,667	231,918
Dividends, interests and rents from investments	52,529	51,774
Loss on the sale of fixed assets	2,437	250
Decrease/(increase) in debtors	(177,720)	92,582
Increase/(decrease) in creditors	(464)	60,267
Net cash provided by operating activities	364,388	280,784

19. Analysis of cash and cash equivalents

	2020 £	2019 £
Cash in hand	593,681	435,175
Total cash and cash equivalents	593,681	435,175

20. Analysis of changes in net debt

	At 1 January 2020 £	Cash flows £	At 31 December 2020 £
Cash at bank and in hand	435,175	158,506	593,681
Debt due within 1 year	(48,795)	(15,098)	(63,893)
Debt due after 1 year	(1,150,690)	117,721	(1,032,969)
	(807,862)	261,129	(546,733)

Martha Trust
(A company limited by guarantee)

Notes to the financial statements
For the year ended 31 December 2020

21. Pension commitments

The charity operates a defined contribution pension scheme. The assets of the scheme are held separately from those of the group in an independently administered fund. The pension cost charge represents contributions payable by the group to the fund and amounted to £56,065 (2019: £51,324). Contributions totaling £10,515 (2019: £11,124) were payable to the fund at the balance sheet date and are included in creditors.

22. Operating lease commitments

At 31 December 2020 the Charity had commitments to make future minimum lease payments under non-cancellable operating leases as follows:

	2020 £	2019 £
Not later than 1 year	23,027	23,891
Later than 1 year and not later than 5 years	40,252	66,663
	<u>63,279</u>	<u>90,554</u>

23. Related party transactions

During the year ended 31 December 2020 donations totaling £755 (2019: £1,546) were received from Trustees.

24. Controlling party

The charity is a company limited by guarantee and was controlled throughout the year by the board of Trustees.