

Registered number: 03467406  
Charity number: 1067885



**Martha Trust**

**(A company limited by guarantee)**

**Trustees' report and financial statements**

**For the year ended 31 December 2022**

## Contents

	Page
<b>Reference and administrative details of the charity, its trustees and advisers</b>	1
<b>Chairman's statement</b>	2
<b>Trustees' report</b>	3 - 15
<b>Trustees' responsibilities statement</b>	16
<b>Independent auditors' report</b>	17 - 21
<b>Statement of financial activities</b>	22
<b>Balance sheet</b>	23
<b>Statement of cash flows</b>	24
<b>Notes to the financial statements</b>	25 - 44

**Martha Trust**  
**(A company limited by guarantee)**

**Reference and administrative details of the Charity, its Trustees and advisers**  
**For the year ended 31 December 2022**

<b>Trustees</b>	Humphrey Clarke, Chairman Adrian Button (appointed 24 November 2022) Georgina Hovey Richard Pitt (appointed 6 January 2022) Rebecca Pryse John Quin Amy Rosie Robert Sparkes Roger Walton
<b>Company registered number</b>	03467406
<b>Charity registered number</b>	1067885
<b>Registered office</b>	Homemead Lane Hacklinge Deal Kent CT14 0PG
<b>Senior management team</b>	Natalia Olszewska, Director of Finance and Resources Owen Nolan, Strategic Health and Social Care Lead Claire Rogerson, Director of People and Culture Alice Moir, Associate Director - Fundraising and Marketing
<b>Company secretary</b>	Natalia Olszewska
<b>Chief executive officer</b>	Julie Gayler
<b>Independent auditors</b>	Kreston Reeves LLP Statutory Auditor 37 St Margaret's Street Canterbury Kent CT1 2TU
<b>Bankers</b>	Barclays Bank PLC 9 St George Street Canterbury Kent CT1 2JX
<b>Solicitors</b>	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 2022**

The chairman presents his statement for the year.

We started the year with a positive notion of hope, after several demanding years due to the Covid pandemic. Sadly, while hope remained, 2022 was again a challenging year that required the Martha management team to use their knowledge, skills, creativity, and empathy to ensure that our values were upheld in all areas of our work and our mission to see residents thrive continued.

Covid lingered in the background, with our dedicated staffing teams continuing to wear face masks, and test diligently to ensure residents remained safe and well. Once again, our people demonstrated their commitment and care for our vulnerable adults, putting their needs above their own comfort. Time and time again we are reminded of the fantastic people who choose to work with us, and how the happiness and ongoing good health of residents is a testament to their hard work and devotion.

The news of the war in Ukraine, touched us all and our thoughts and prayers continue to be with all those affected, and the many people displaced, away from their homes and family at this time. The resulting impact on the world economy, and inflationary increases here in the UK, have directly impacted Martha, particularly in costs of both food and energy.

The SMT were quick to recognise how rising costs would impact our staff and worked tirelessly to provide meaningful support in various ways that allowed people to retain their dignity. Feedback from teams showed these were gratefully received, and initiatives were also used to enhance recruitment efforts. The Board, and Remuneration Committee explored ways in which we could further support staff, particularly in the form of a significant pay increase for January 2023, recognising the impact of inflation on everyone's daily lives.

The challenges we saw in 2021 in relation to recruitment in the Care Sector, continued in 2022. This was recognised as a national crisis with Skills for Care reporting more than 165,000 vacancies in care. Martha continued to work to ensure people felt valued and appreciated, and while applications continued to be slow, we have faith that this work will come to fruition next year. As a result of staffing levels and a need to ensure the care provided remained at our high standards, the use of agency continued and reached unprecedented levels, resulting in costs exceeding our budget. This, combined with the Governments decision not to provide Adult Social Care with additional funding, and local Authorities looking to reduce costs and offer reduced fee increases, leads us to believe that our biggest future challenge will be of a financial nature.

One of our successes in 2022 was the result of the 'Work Life Balance Project'. This was the outcome of reviewing the efficiencies on shifts and handover times, and thereafter reducing shift lengths. Martha was then able to propose that people worked less hours, for the same salary on a higher hourly rate. Combined with an annual increase to take effect from January 2023, we were able to meet our hopes of significantly increasing peoples pay per hour, another way of making Martha an attractive employer.

As we look forward to 2023, our drive to improve and prosper, while holding on to our core beliefs continues but with a different focus and new challenges. The cost-of-living crisis and funding shortfalls will require a positive and creative approach in all strategic areas. However, we embrace these challenges with the knowledge that we have proven that we have the skills and faith within the organisation to reinvent and evolve our strategies. As always, the generous support of our donors will be invaluable, and we continue to be grateful for their support and the Lord's guidance.



Humphrey Clarke  
Chairman

Date: 17 Aug 23

**Martha Trust**  
**(A company limited by guarantee)**

**Trustees' report**  
**For the year ended 31 December 2022**

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 2022. 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 day 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 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 Vision is for everyone with profound disabilities to be given the very best opportunities in life, enabling them to engage in the world around them and achieve their individual potential.

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.

## **Martha Trust**

**(A company limited by guarantee)**

### **Trustees' report (continued)**

**For the year ended 31 December 2022**

#### **b. Our strategic aims**

1. Be an outstanding provider offering high quality services and support for our residents
2. Generate sufficient fee and fundraising income to ensure ongoing financial viability
3. Operate an effective and efficient charity
4. Be an employer of choice in our local area
5. Enhance our links with community to the benefit of our residents

#### **c. Our strategic objectives for 2022-2024**

##### Objectives supporting each Strategic Aim

1. Be an outstanding provider offering high quality services and support for our residents
  - 1.1. Understand the needs of the residents we serve and ensure we can evidence the impact of our services
  - 1.2. Ensure our services are safe, effective, caring, responsive and well-led
  - 1.3. Working closely with CQC and local authorities; to be outstanding in clinical expertise with an emphasis on residents needs
2. Generate sufficient fee and fundraising income to ensure ongoing financial viability
  - 2.1 Ensure fee income for each resident is sufficient to fully cover the cost of their individual care needs
  - 2.2 Grow and sustain voluntary income
  - 2.3 Maintain efficient staffing levels and costs and limited use of agency staff
  - 2.4 Ensure value for money by applying principles of economy, efficiency and effectiveness
3. Operate an effective and efficient charity
  - 3.1 Ensure our organisation is well-governed and that our strategies, plans and budgets are aligned
  - 3.2 Maintain effective risk management to aid and inform decision-making
  - 3.3 Measure impact and outcomes in line with our Mission
4. Be an employer of choice in our local area
  - 4.1 Support, develop and manage our staff in the achievement of our objectives
  - 4.2 Foster a culture where individuals of all backgrounds feel confident to be themselves, and are included and empowered
  - 4.3 Continue to evolve our strategic approach to recruitment and retention
5. Enhance our links with community to the benefit of our residents
  - 5.1 Identify and take advantage of opportunities to support residents to be active members of the local community
  - 5.2 Develop initiatives to engage with our local communities, promoting the work of Martha Trust and ways to support the charity
  - 5.3 Identify and promote volunteering opportunities to individuals, businesses and local groups

The above objectives are in the process of being developed into a formal three year plan to be published in 2023. However, some initiatives and projects to deliver the objectives are already live, with progress achieved during 2022 set out in this report. Annual performance will be measured against the published plan during 2023 and 2024 and will be reported in the Trustee Annual Reports for those years.

**Martha Trust**  
**(A company limited by guarantee)**

**Trustees' report (continued)**  
**For the year ended 31 December 2022**

**d. Activities for achieving objectives**

Strategy

During 2022 the biggest challenges in delivering against our strategic aims have been soaring inflation, the steep rise in the cost of living and the national recruitment crisis within the adult social care sector, as well as the ongoing battle to negotiate appropriate fees. It is a harsh reality that the combination of these factors has hindered the speed with which we have been able to move forward with activities to deliver our strategic plan.

Martha Trust strives to be an organisation that adapts and evolves to meet the inevitable challenges posed by external forces. This was demonstrated during the Covid 19 pandemic and that determination and vision has again been evident during 2022. Despite the unforeseen, difficult financial climate and recruitment pressures, we have made some significant progress with supporting our staff teams through the introduction of various initiatives, including the Work Life Balance Project explained later in the report.

By recognising the complex needs of those we support, we recognise the responsibility we have in ensuring that we protect the long-term sustainability of the organisation and can provide residents with the caring home for life that they deserve – and in doing so set 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.

Families

We continue to be committed to working alongside families, recognising their wealth of knowledge, listening to feedback and ideas to improve the experience for those involved and create meaningful relationships for the benefit of everyone.

Virtual family forums continued during 2022, which enabled family members from both Martha locations to interact, share views and experiences and develop their own support networks. Social media has proven to be invaluable in enabling families to keep in touch, with dedicated Facebook and WhatsApp platforms set up by the families.

Parent Representative Meetings have continued to take place regularly via Zoom. This has facilitated open and transparent communication between the Representatives and the Martha management team, which has been vital during a year of unexpected external pressures. One of the many benefits from these meetings, has been that consistent communications to wider family members has been far easier to facilitate.

The 2022 family feedback questionnaire was distributed to families, with nine responses received. Although the response rate is a little disappointing, when we take into account the other mechanisms we have in place for families to express their views, which we know they utilise, it is less of a concern. Many of our families frequently attend the family forums and are encouraged to raise issues, concerns or positive feedback directly to the Home Managers as and when they need to, as well as utilising the Parent Representative group. The family questionnaire plays a part in the review of our care services but isn't to be used as a stand-alone.

Family members are recruited to sit on Trustee-led committees when their experience is identified as being of value. This includes the Care Improvement Committee and Funding Strategy Committee, both of which have benefited enormously from the skills and different perspectives brought to the discussions by the families of our residents.

Operations

Whilst Covid-19 continued to impact on staffing levels during 2022, much of the operational learning from managing the service, gained during the first year of the pandemic, delivered efficiencies that enabled the organisation to still make considerable progress with many of its objectives.

**Martha Trust**  
**(A company limited by guarantee)**

**Trustees' report (continued)**  
**For the year ended 31 December 2022**

The Care Improvement Committee, attended by a clinical Trustee and three family members with clinical backgrounds, aims to further develop our service and demonstrate how we are improving the lives of our residents through a long-term care strategy. Positive progress was made by the Committee during 2022 on the priority areas of resident care reviews and a new medication policy.

Our Quality assurance framework continues to evolve and improve, with the electronic care plan system, PCS, fully embedded. This technology streamlines the process of recording daily care and the review of risk assessments and resident needs. An electronic Medication Administration Record (MAR) has been introduced in 2022 following a trial period at the Deal site, which integrates with PCS and provides a safe, efficient system proven to reduce medication errors. This system will be introduced at our Hastings location during 2023.

The organisational governance framework has been reviewed and relaunched in 2022. The new framework replaces the existing Clinical Governance meetings and is guided by the CQC reg 17 for Governance, encompassing the Regulations for Service Providers and Managers under the Health and Social Care act 2008 and 2009.

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. CIPs have been regularly updated during the year to include areas of improvement highlighted in stakeholder questionnaire responses and audits. Focus is placed on areas rated as Good by CQC at the last inspections, with a view to achieving Outstanding. 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.

Following restructures, the activities teams at both Martha locations continue to lead on delivering person-centred activity plans, communication and physiotherapy programmes. PCS provides the platform for recording evidence of activities and review of individual plans due to any changes in need.

As always, we are keen to explore opportunities offered by new technology which can enable all residents to communicate more effectively, express themselves and have fun. As well as Eye Gaze technology, through generous donations we have been able to introduce interactive digital activity tables called Rainbow tables, which offer fun individual and group activities.

In 2022 we were excited to be the first care home in the UK to trial a new product 'AIR with Flavour®' developed by Biozoon. Many of our residents at Martha have issues with their swallowing so are reliant on a PEG tube for their food, fluid and medicine intake. For them the transition can be hard and many miss the sensations and joy of eating, tasting and drinking orally. 'Air with Flavour®' gives people who are unable to eat and drink in the usual way the ability to taste again without the need to swallow.

Development of the Martha Trust GDPR policy is an ongoing project, progress having initially been slowed by the Covid pandemic. In 2022 overall responsibility for GDPR was given to the Director of Finance and Resources and progress is now being made on reviewing and updating processes relating to Martha's care services and HR processes to ensure ongoing compliance with the latest regulations.

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.

#### Our People

2022 was a challenging year for Martha in terms of staffing levels, particularly on the Hastings site. This was in part to the ongoing national shortage of people wanting to work in the care sector. As a result, the priorities were to ensure that Martha continued to establish itself as an excellent employer, working to appeal to new recruits and also retain the good people in the teams.



**Martha Trust**  
**(A company limited by guarantee)**

**Trustees' report (continued)**  
**For the year ended 31 December 2022**

In terms of retention, the ongoing efforts to ensure employees felt valued and appreciated continued through the year. Shopping vouchers were issued for Easter, our 35th Anniversary, Harvest Festival and Christmas. Families were invited to contribute to a gift for all staff, and as a result a further £10 voucher from families was issued to everyone. The remaining funds will be used to support an organisational family day in 2023.

It was recognised that some employees may be struggling with the increasing costs of daily living. As a result, Martha installed an employee food cupboard in all locations – providing all with the opportunity to have a free hot meal while at work. This was followed up later in the year with the decision to provide complimentary sanitary products in all Martha bathrooms, addressing 'period poverty' and enabling all employees to retain their dignity while at work.

Mental Health Day was celebrated across the organisation, with leaflets reminding people of the mental health first aiders on site, and we saw the return of the 'Art of Brilliant' with workshops delivered to boost morale after the challenges of the past few years.

The decision was made to continue to pay all Covid-19 related absences at full pay, with this benefit remaining in place throughout 2022. The approach enabled Martha to keep residents safe, while ensuring that anyone who contracted Covid-19 did not suffer any negative financial impacts.

The Remuneration Committee formed in 2021 was instrumental in working with the SMT to implement several new initiatives including an increase in employer pension contributions to 5%, and improvements to the pay employees receive for maternity, paternity and after the loss of a child.

One of the biggest changes to the People approach at Martha in 2022 was the proposal and communication of the 'Work Life Balance Project,' due to be implemented on 2nd January 2023 following the previous work completed by the 'Working Improvement Group'.

This project saw Martha take the principles of the 'Four-day week' and apply them in a way which is workable for the care sector. Day shift times were reduced from seven and a half hours to seven, with the handover period during which both day shifts were present in the home, changing from an hour and a half to thirty minutes. The hourly rate of pay staff receive was then adjusted to ensure that no one took home reduced pay if they were working fewer hours. Essentially, employees would be working less time for the same pay, but for recruitment purposes the hourly rate advertised increased to £10.55 per hour for a Support Worker.

Some initial concerns were expressed but following further consultation and explanations the final changes were to be implemented from 2nd January 2023. This date was chosen to enable the annual salary increase to be applied at the same time, making the process as efficient as possible.

From a business perspective, this change enables Martha to demonstrate to funders a move towards improving efficiency. It also enabled Martha to increase the Support Workers hourly rate above the minimum set by the government with less impact on expenditure. During 2023 Martha will be supporting teams to ensure these changes work and there is not negative impact on the organisation due to the reduction in working hours.

The plans to further embrace Equity, Diversity and Inclusion (EDI) have not moved as far as we had initially hoped at the start of the year. The continuation of Covid, ongoing recruitment challenges and the need to prioritise the 'Work Life Balance Project' meant that it was not appropriate timing to conduct a further questionnaire to launch the wider, cultural EDI work. However, our training provisions have started to work towards better inclusivity, with trainers working with people to provide accessible training rather than taking the same approach for all. Toward the end of 2022 we worked with our external training provider to amend the new 'Oliver McGowen' Training, ensuring such an important message would be well accessed by the whole team. This led away from the traditional method of asking people to read through literature and into a more inclusive and interactive approach.

## **Martha Trust**

**(A company limited by guarantee)**

### **Trustees' report (continued)**

**For the year ended 31 December 2022**

Training in general has increased throughout the year, and fewer courses were cancelled due to Covid outbreaks. The focus has been on ensuring mandatory courses are delivered and compliance figures increased. Reviewing competencies and ensuring training provided is correctly applied has also been a focus throughout 2022. In 2023 we will move towards providing more specialist training that enables people to develop skills further. The planned higher level Safeguarding training took place, and the new team of Designated Safeguarding Leads is in place and working well. Getting people into training sessions while ensuring the homes were at safe staffing levels was not always possible.

The Care Certificate rollout was successful and will continue through 2023 with support provided on each site for the groups working through the workbooks to gain their qualification. The NVQ provision in Deal failed to be as successful as had hoped, but this is likely to be due to the low staffing levels and a preference for people to pick up overtime rather than study, and not feeling able to do both. This will be revisited in 2023 with a higher level of support likely to be needed.

Feedback from new employees showed that the work on a clearer and easier to read handbook had been well received, and the decision to make the buddy period more individual depending on experience was made. A new induction for agency staff joining the team was implemented to ensure they received a full induction to be able to reach their full potential.

The SMT continued to work under the guidance and leadership of Julie Gayler. Owen Nolan joined SMT in January 2022 as the Strategic Health and Social Care Lead for Martha. Hady Tagg was promoted to Home Manager in Mary House, and Phil Linkin promoted to Senior RHM at Deal, providing oversight and support in Hastings. Angela Howie also stepped into the new position of Senior Nurse at Deal.

Overall, the staffing numbers across the organisation saw a decline with 37 leavers for the year, and 23 new starters. It should be noted however that a number of people identified as 'leavers' were those who started the employment process but failed to physically start employment. General movement led to a stagnant level of staffing despite the changes to the plans in recruitment and retention. At the start of 2022 the vacancy level of care employees for the organisation sat at 29.8% and changed little to 29% in December 2022. This percentage was different for each site with Deal improving slightly having started the year with a vacancy percentage of 24.5% and ending on 20.6%. Mary House however increased its vacancies from 37% in January to 43.3% These vacancies included both nurses and Support Workers. Levels of employee vacancies remain a concern due to the wider impact they have on both team morale and agency costs. At the end of 2022 applications for roles were low and agency use high.

The hope is that the increase in hourly rates, and a stable management team will enable Martha to improve staffing levels and therefore reduce the ongoing concern of agency costs. Efforts to reduce agency use have included ensuring people who work overtime are paid fairly and above the rates of most organisations. Throughout 2022 Martha paid all overtime shifts at double time, believing that familiarity and continuity of care are vital to ensure residents live a full life and enjoy their freedom in the world post Covid.

A focus on our People and embedding our values to ensure those who work at Martha feel part of a wider community and are appreciated will continue into 2023. Improving efficiency to ensure the People function is creating value for money and supporting business values is also a key priority. People are the key to Martha's success and we are committed to creating a positive and supportive employee experience.

### Fundraising

2022 was the first full year, post pandemic that we were able to run our full series of events and face-to-face fundraising started to get off the ground once again. Income raised via our fundraising events programme continues to grow, with our music events and golf days proving extremely popular with our supporters and the wider community of Deal. All our events saw growth and income from each event was at an all-time high.

Our car challenge was postponed for three years due to restrictions on travel because of Covid-19, so our 2022 was full at 15 cars and the sponsorship raised through this event was our best ever.

## **Martha Trust**

**(A company limited by guarantee)**

### **Trustees' report (continued)**

**For the year ended 31 December 2022**

Our strategy for focussing our events around providing an enjoyable as well as a rewarding experience is proving the right focus for our charity. Where possible we also aim for our fundraising events, especially our music ones to be accessible and inclusive.

General income was up on forecast, boosted by a large one-off donation, as well as a number of local organisations hosting their own Music4Martha events. In Memory giving continues to be a popular way to show support of Martha.

We continue to build on support from local businesses and nurture relationships, we saw growth in support through sponsorship of our events programme and gifts in kind.

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 10.1%, Instagram (launched February 2021) up 61.6% on 2021 and Twitter up 4%. Our social media is a great tool in promoting our fundraising activity, support for Martha and recruitment, as well as raising awareness of profound disability.

Towards the end of 2022, we expanded our fundraising team, appointing a new post of Fundraising and Events Assistant to support our fundraising and to help raise awareness of our work in the Hastings area. For 2022, our fundraising team was the equivalent of 2.56 f/t roles.

#### Core grant income

Our core grant income stream, which focuses on securing core funding support from Trusts and Foundations was 23% below budget, although we did secure support of our Activities programme at Martha. This reflects the competition faced in grant fundraising with so many charities now reliant on this income stream.

In 2022, our aim was to secure core funding towards items we have to pay for as a charity. We focussed our core approaches this year around activities, Person Centred Software and fundraising events costs.

#### Restricted Appeals

In 2022, we had a range of restricted projects for equipment.

Our appeal, to purchase two Rainbow Tables for our Deal homes proved popular with funders. These interactive, touch-screen, multipurpose tablets are the perfect addition to our activity offering at Martha and we successfully ended the year completing the appeal with two grants pending payment and one Rainbow Table purchased.

We started our appeal for a THERA trainer for our home in Hastings mid-way through the year. The THERA Trainer Tigo is essentially an exercise bike designed specifically for people with limited mobility. We ended the year still waiting for first grant to be awarded towards this appeal, but with a number of applications awaiting outcome we are hopeful to complete this in the first half of 2023.

We were successfully awarded a £1,000 grant to create an 'Allotment at Home' for our residents at Deal. The space we plan to create will have special raised beds at wheelchair height and grow fruit and vegetables as well as herbs and flowers to create a sensory experience. It will enable our residents to grow their own produce on site and have access to their allotment all year round.

A number of restricted donations were received for us to enhance our gardens at our Deal homes, raised through in-memory donations and a grant to support a volunteer day by a team from Swiss Re.

**Martha Trust**  
**(A company limited by guarantee)**

**Trustees' report (continued)**  
**For the year ended 31 December 2022**

**Achievements and performance**

**a. Key financial performance indicators**

Martha Trust had a challenging year in 2022 due to cost of living crisis affecting the adult social services sector without additional funding being offered by the government. The deficit result at year end was not entirely surprising considering low inflationary increases from funding authorities contrasted with rising costs amplified by scarcity of care staff. Total income was £6.4 million (2021: £6.35 million) and the deficit was £64,039 (2021: surplus £498,830). Room occupancy decreased to 96.5% compared to 98.6% in 2021. There was one vacancy at the end of 2022.

In 2022 Martha Trust experienced the greatest erosion of real terms fee values with funding authorities reluctant to award increases for cost inflation despite record inflation levels. We had to renew our efforts to challenge funding authorities across the board and also to ensure that we frequently review the change in needs of existing and new residents to confirm they are fully funded. We were particularly disappointed with Kent County Council who totally disregarded the economic realities and gave no increase whatsoever for their residents on our Deal site.

Over the last five years, the minimum wage for over 21 year olds had risen 21.3%, from £7.83 per hour to £9.50 per hour. Kent County Council had only increased their fees by 12.17% over the last five years. Minimum wage is set to rise further to £10.42 in April 2023. The mismatch between increase in minimum wage and inflationary fee increases creates a significant gap in funding because approximately 70% of our costs are staff costs. In addition, the inflationary pressures in the wider economy in 2023 are expected to be exceptionally high, driving all of our other cost up by a percentage we currently cannot quantify.

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.

Overall the level of new care enquiries in 2022 has been high. This is partly due to our profile being raised through marketing and partly due to a sustained and particularly high level of demand in a time of shrinking service provision in South East England. Many new enquiries are driven by closure of other care homes.

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 £6.4m (2021: £6.35m)
- Expenditure £6.46m (2021: 5.85m)
- Deficit £0.06m (2021: Surplus £0.5m)
- Percentage costs of management and administration 8.59% (2021: 8.05%)
- Occupancy 96.5% (2021: 98.6%)
- Balance Sheet total funds £5.07m (2021: £5.13m)

**b. Review of activities**

There were three new residential placements during the year. There were no new respite placements during the year. 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.

**Martha Trust**  
**(A company limited by guarantee)**

**Trustees' report (continued)**  
**For the year ended 31 December 2022**

**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.

**Financial review**

**a. Going concern**

The charity has a net deficit of £64,039 during the year ended 31 December 2022. The adverse impact of high staff vacancies resulting in substantial agency cost and underfunding from our major funding authorities are cause of concern. Work is in hand to mitigate these issues and, as a consequence, 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. Through our policies and procedures our financial risk management 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.

As mentioned in a. above, staff vacancies and the impact of agency cost are of our main concern. 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 cover the increase in wage costs. This results in continued pressure on resources and a greater challenge in maintaining financial stability.

As also mentioned in a. above, inadequate fee increases remain of concern. In particular, for the second year running, Kent County Council, are proposing no increase whatsoever to residents on the Deal site, and Kent and Medway ICB are proposing a mere increase of 1.8%. Neither of these take any account of inflationary situation. 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.

**Martha Trust**  
**(A company limited by guarantee)**

**Trustees' report (continued)**  
**For the year ended 31 December 2022**

**d. Principal funding**

The main source of income for Martha Trust is from contracts with local authorities and NHS ICBs. 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 ICB as well as with Kent & Medway ICB in order to source a higher level of placements from local areas.

Fundraising income finances 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 and specific funding for the effects of Covid on our costs, 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.

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.

## **Martha Trust**

**(A company limited by guarantee)**

### **Trustees' report (continued)**

**For the year ended 31 December 2022**

#### **c. Policies adopted for the induction and training of Trustees**

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

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

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

This ensures that they have a full understanding of their responsibilities. In addition, new Trustees will attend a seminar on their responsibilities by a 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.

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 nine Trustees, who are also Directors of Martha Trust for the purposes of company law. The Senior Management Team consisted of the Chief Executive Officer, Director of Finance and Resources, Strategic Health & Social Care Lead, Director of People and Culture, and Associate Director of Fundraising and Marketing.

There are four full Board Meetings per year, plus at least four Audit & Finance Committee Meetings. The Funding Strategy Group meets periodically and has two Trustees and one family representative. The Care Improvement Committee meets quarterly and has one Trustee and two family representatives. The Remuneration Committee meets at least once a year and it has two Trustees.

In terms of financial control, the Director of Finance and Resources prepares revenue and capital budgets for the forthcoming financial year. The Audit and Finance Committee considers 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.

The CEO currently holds the CQC registration for the Hastings site, with a Home Manager responsible for the operational management of the home. Registration for the Deal site is held by the Senior Registered Home Manager (SRHM) who also provides clinical advice and support to the Hastings home management team.

All new care policies or changes to existing care policies are reviewed and approved at the organisation Governance meetings, which involve the SMT and management teams across all functions.

**Martha Trust**  
**(A company limited by guarantee)**

**Trustees' report (continued)**  
**For the year ended 31 December 2022**

**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.

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 organisation, supporting and developing the staff and volunteers who work for us by:

- Ensuring our charity 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 Director of Finance and Resources is responsible for maintaining the register, which is reviewed monthly at SMT meetings. 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 2022, the Trustees considered it appropriate to set free reserves held to equivalent of at least four months expected general expenditure for one home (four and half months in previous year), which is in the region of £600,000. The free reserves at 31 December 2022 amounted to £809,128. 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.



**Martha Trust**  
**(A company limited by guarantee)**

**Trustees' report (continued)**  
**For the year ended 31 December 2022**

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 annual inflation-linked review, 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.

**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. The Trustees considered some of the new requirements of The Code aspirational and thus have faced constraints in immediately implementing all of its recommendations. Nevertheless, the board will continue to strive for continuous improvement, exploring possibilities for extending the range of skills and experience of existing trustees, recruiting where any shortfalls are identified. An independent board review is planned for 2023.

This report was approved by the Trustees on 9 August 2023 and signed on their behalf by:

Martha Trust is committed to evolving as an organisation to reflect the changing values and principles within society.

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



**Humphrey Clarke**  
(Chair of Trustees)

Date: 17 August 2023

## **Martha Trust**

**(A company limited by guarantee)**

### **Statement of Trustees' responsibilities**

**For the year ended 31 December 2022**

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 2022 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 2022 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.

**Material uncertainty related to going concern**

We draw attention to note 2.6 in the financial statements, which indicates that the charity has a net deficit of £64,039 during the year ended 31 December 2022. As stated in note 2.6, these events or conditions, along with the other matters as set forth in note 2.6, indicate that a material uncertainty exists that may cast significant doubt on the charitable company's ability to continue as a going concern. Our opinion is not modified in respect of this matter.

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. Our evaluation of the Trustees' assessment of the charitable company's ability to continue to adopt the going concern basis of accounting included sensitivity analysis regarding future occupancy rates, CCG expected fee income increases and expected cost increases.

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 other information comprises the information included in the Annual report other than the financial statements and our Auditors' report thereon. The Trustees are responsible for the other information contained within the Annual report. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon. Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the course of the audit, or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

**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.

**Martha Trust**  
**(A company limited by guarantee)**

**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.

## **Martha Trust**

**(A company limited by guarantee)**

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

Because of the inherent limitations of an audit, there is a risk that we will not detect all irregularities, including those leading to a material misstatement in the financial statements or non-compliance with regulation. This risk increases the more that compliance with a law or regulation is removed from the events and transactions reflected in the financial statements, as we will be less likely to become aware of instances of non-compliance. The risk is also greater regarding irregularities occurring due to fraud rather than error, as fraud involves intentional concealment, forgery, collusion, omission or misrepresentation.

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.

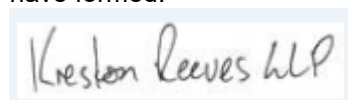
We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

**Martha Trust**  
**(A company limited by guarantee)**

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

**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.

A handwritten signature in blue ink that reads "Kreston Reeves LLP". The signature is enclosed in a light blue rectangular box.

**Samantha Rouse FCCA DChA (Senior statutory auditor)**

for and on behalf of  
**Kreston Reeves LLP**

Statutory Auditor  
Chartered Accountants

Canterbury

17 August 2023

**Martha Trust**  
(A company limited by guarantee)

**Statement of financial activities (incorporating income and expenditure account)**  
**For the year ended 31 December 2022**

	Note	Unrestricted funds 2022 £	Restricted funds 2022 £	Total funds 2022 £	Total funds 2021 £
<b>Income from:</b>					
Donations and legacies	3	247,071	59,778	306,849	336,122
Charitable activities	4	6,026,230	57,788	6,084,018	6,019,878
Other income	5	9,983	-	9,983	(9,327)
<b>Total income</b>		<b>6,283,284</b>	<b>117,566</b>	<b>6,400,850</b>	<b>6,346,673</b>
<b>Expenditure on:</b>					
Raising funds	6	154,091	-	154,091	126,626
Charitable activities	7	6,222,761	88,037	6,310,798	5,721,217
<b>Total expenditure</b>		<b>6,376,852</b>	<b>88,037</b>	<b>6,464,889</b>	<b>5,847,843</b>
<b>Net movement in funds</b>		<b>(93,568)</b>	<b>29,529</b>	<b>(64,039)</b>	<b>498,830</b>
<b>Reconciliation of funds:</b>					
Total funds brought forward		4,379,546	758,041	5,137,587	4,638,757
Net movement in funds		(93,568)	29,529	(64,039)	498,830
<b>Total funds carried forward</b>		<b>4,285,978</b>	<b>787,570</b>	<b>5,073,548</b>	<b>5,137,587</b>

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

The notes on pages 25 to 44 form part of these financial statements.



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

**Balance sheet**  
**As at 31 December 2022**

	Note	2022 £	2021 £
<b>Fixed assets</b>			
Tangible assets	11	4,753,318	4,908,387
		<u>4,753,318</u>	<u>4,908,387</u>
<b>Current assets</b>			
Debtors	12	656,831	538,140
Cash at bank and in hand		754,768	1,057,658
		<u>1,411,599</u>	<u>1,595,798</u>
Creditors: amounts falling due within one year	13	(468,458)	(535,537)
<b>Net current assets</b>		<u>943,141</u>	<u>1,060,261</u>
<b>Total assets less current liabilities</b>		<u>5,696,459</u>	<u>5,968,648</u>
Creditors: amounts falling due after more than one year	14	(622,911)	(831,061)
<b>Total net assets</b>		<u><u>5,073,548</u></u>	<u><u>5,137,587</u></u>
<b>Charity funds</b>			
Restricted funds	15	787,570	758,041
Unrestricted funds			
Designated funds	15	3,272,715	3,160,192
General funds	15	809,128	1,015,219
Revaluation reserve		204,135	204,135
Total unrestricted funds	15	<u>4,285,978</u>	<u>4,379,546</u>
<b>Total funds</b>		<u><u>5,073,548</u></u>	<u><u>5,137,587</u></u>

The Trustees acknowledge their responsibilities for complying with the requirements of the Act with respect to accounting records and preparation of financial statements.

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

**Humphrey Clarke**  
Chairman

Date: 17 August 2023

The notes on pages 25 to 44 form part of these financial statements.

**Martha Trust**  
**(A company limited by guarantee)**

**Statement of cash flows**  
**For the year ended 31 December 2022**

	<b>Note</b>	<b>2022</b> £	2021 £
<b>Cash flows from operating activities</b>			
Net cash used in operating activities	18	<b>51,313</b>	880,724
<b>Cash flows from investing activities</b>			
Dividends, interests and rents from investments		<b>(28,628)</b>	(35,350)
Purchase of tangible fixed assets		<b>(72,966)</b>	(177,444)
<b>Net cash used in investing activities</b>		<b>(101,594)</b>	<b>(212,794)</b>
<b>Cash flows from financing activities</b>			
Repayments of borrowing		<b>(252,609)</b>	(203,953)
<b>Net cash used in financing activities</b>		<b>(252,609)</b>	<b>(203,953)</b>
<b>Change in cash and cash equivalents in the year</b>		<b>(302,890)</b>	<b>463,977</b>
Cash and cash equivalents at the beginning of the year		<b>1,057,658</b>	593,681
<b>Cash and cash equivalents at the end of the year</b>	19	<b>754,768</b>	1,057,658

The notes on pages 25 to 44 form part of these financial statements

**Martha Trust**  
**(A company limited by guarantee)**

**Notes to the financial statements**  
**For the year ended 31 December 2022**

**1. General information**

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

The registered office is Homestead 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 'trust 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 2022**

**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.

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.

**Notes to the financial statements**  
**For the year ended 31 December 2022**

**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.

Expenditure on raising funds includes all expenditure incurred by the Charity to raise funds for its charitable purposes and includes costs of all fundraising activities events and non-charitable trading.

Expenditure on charitable activities is incurred on directly undertaking the activities which further the Charity's objectives, as well as any associated support costs.

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

**2.6 Going concern**

The charity has a net deficit of £64,039 during the year ended 31 December 2022. The adverse impact of high staff vacancies resulting in substantial agency cost and underfunding from our major funding authorities are a cause of concern. Work is in hand to mitigate these issues and, as a consequence, 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.

**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.

**Notes to the financial statements**  
**For the year ended 31 December 2022**

**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.

**Notes to the financial statements**  
**For the year ended 31 December 2022**

**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 £4,753,318 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 2022**

**3. Income from donations and legacies**

	<b>Unrestricted funds 2022 £</b>	<b>Restricted funds 2022 £</b>	<b>Total funds 2022 £</b>	<b>Total funds 2021 £</b>
Donations	247,071	17,874	<b>264,945</b>	265,377
Grants - Covid-19	-	41,904	<b>41,904</b>	35,796
Government grants - Furlough	-	-	-	34,949
<b>Total 2022</b>	<u>247,071</u>	<u>59,778</u>	<u><b>306,849</b></u>	<u>336,122</u>
Total 2021	<u>228,099</u>	<u>108,023</u>	<u>336,122</u>	

**4. Income from charitable activities**

	<b>Unrestricted funds 2022 £</b>	<b>Restricted funds 2022 £</b>	<b>Total funds 2022 £</b>	<b>Total funds 2021 £</b>
Residential and day care fees	6,026,230	-	<b>6,026,230</b>	5,914,051
Covid-19 fees	-	57,788	<b>57,788</b>	105,827
	<u>6,026,230</u>	<u>57,788</u>	<u><b>6,084,018</b></u>	<u>6,019,878</u>
Total 2021	<u>5,914,051</u>	<u>105,827</u>	<u>6,019,878</u>	

**5. Other incoming resources**

	<b>Unrestricted funds 2022 £</b>	<b>Total funds 2022 £</b>	<b>Total funds 2021 £</b>
Other	9,983	<b>9,983</b>	(9,327)
Total 2021	<u>(9,327)</u>	<u>(9,327)</u>	



**Martha Trust**  
**(A company limited by guarantee)**

**Notes to the financial statements**  
**For the year ended 31 December 2022**

**6. Expenditure on raising funds**

**Costs of raising voluntary income**

	<b>Unrestricted funds 2022 £</b>	<b>Total funds 2022 £</b>	Total funds 2021 £
Events and publicity costs	50,348	<b>50,348</b>	34,746
Legal and professional	2,287	<b>2,287</b>	1,896
General office costs	2,778	<b>2,778</b>	1,660
Maintenance/Utilities/Sundry	1,892	<b>1,892</b>	1,367
Salaries to generate income	96,786	<b>96,786</b>	86,957
<b>Total 2022</b>	<u>154,091</u>	<u><b>154,091</b></u>	<u>126,626</u>
Total 2021	<u>126,626</u>	<u>126,626</u>	

**7. Analysis of expenditure on charitable activities**

**Summary by fund type**

	<b>Unrestricted funds 2022 £</b>	<b>Restricted funds 2022 £</b>	<b>Total 2022 £</b>	Total 2021 £
Residential and day care costs	<u>6,222,761</u>	<u>88,037</u>	<u><b>6,310,798</b></u>	<u>5,721,217</u>
Total 2021	<u>5,588,013</u>	<u>133,204</u>	<u>5,721,217</u>	

**Martha Trust**  
**(A company limited by guarantee)**

**Notes to the financial statements**  
**For the year ended 31 December 2022**

**8. Analysis of expenditure by activities**

	<b>Activities undertaken directly 2022 £</b>	<b>Support costs 2022 £</b>	<b>Total funds 2022 £</b>	<b>Total funds 2021 £</b>
Residential and day care costs	5,755,453	555,345	<b>6,310,798</b>	5,721,217
Total 2021	5,250,294	470,923	5,721,217	

**Analysis of direct costs**

	<b>Residential and day care 2022 £</b>	<b>Total funds 2022 £</b>	<b>Total funds 2021 £</b>
Staff costs	3,601,651	<b>3,601,651</b>	3,579,005
Depreciation	207,549	<b>207,549</b>	189,932
Establishment costs	1,946,253	<b>1,946,253</b>	1,481,357
<b>Total 2022</b>	<b>5,755,453</b>	<b>5,755,453</b>	5,250,294
Total 2021	5,250,294	5,250,294	

**Martha Trust**  
(A company limited by guarantee)

**Notes to the financial statements**  
**For the year ended 31 December 2022**

**8. Analysis of expenditure by activities (continued)**

**Analysis of support costs**

	<b>Residential and day care 2022 £</b>	<b>Total funds 2022 £</b>	<b>Total funds 2021 £</b>
Wages and salaries	447,386	<b>447,386</b>	389,921
Depreciation	17,953	<b>17,953</b>	18,353
Establishment costs	29	<b>29</b>	-
Travel and subsistence	7,924	<b>7,924</b>	3,675
Insurance	2,475	<b>2,475</b>	2,121
Maintenance, cleaning and repairs	14,153	<b>14,153</b>	13,913
Print, post and stationery	1,988	<b>1,988</b>	1,532
Telephone and fax	1,478	<b>1,478</b>	1,106
Operating lease rentals and equipment	1,498	<b>1,498</b>	1,527
Staff training	10,234	<b>10,234</b>	1,731
General expenses	1,815	<b>1,815</b>	1,193
Bank charges and interest	1,867	<b>1,867</b>	2,049
IT Costs	2,255	<b>2,255</b>	4,866
Legal and professional fees	29,340	<b>29,340</b>	19,484
Publicity and communications	2,950	<b>2,950</b>	1,052
Governance costs	12,000	<b>12,000</b>	8,400
<b>Total 2022</b>	<u>555,345</u>	<u><b>555,345</b></u>	<u>470,923</u>

**9. Net income/(expenditure)**

This is stated after charging:

	<b>2022 £</b>	<b>2021 £</b>
Depreciation of tangible fixed assets:	<b>225,502</b>	200,346
- owned by the charity		
Auditors' remuneration - audit	<b>12,000</b>	8,400
Operating lease rentals	<b>1,498</b>	1,527

During the year, no Trustees received any remuneration (2021: £NIL).

During the year, no Trustees received any benefits in kind (2021: £NIL).

One Trustee received a reimbursement of travel expenses totalling £89 in the current year, (2021: £1,236 paid to two trustees).

**Martha Trust**  
**(A company limited by guarantee)**

**Notes to the financial statements**  
**For the year ended 31 December 2022**

**10. Staff costs**

	<b>2022</b>	2021
	£	£
Wages and salaries	<b>3,743,271</b>	3,688,192
Social security costs	<b>337,285</b>	305,767
Contribution to defined contribution pension schemes	<b>65,267</b>	61,924
	<u><b>4,145,823</b></u>	<u>4,055,883</u>

No termination payments were made during the year (2021: one employee totaling £1,620) included within wages and salaries.

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

	<b>2022</b>	2021
	No.	No.
Employees	<b>169</b>	176

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

	<b>2022</b>	2021
	No.	No.
In the band £60,001 - £70,000	<b>1</b>	-
In the band £70,001 - £80,000	<b>1</b>	2

The total salaries received by key management personnel was £277,405 (2021: £333,052). Employer pension contributions were a total of £11,291 (2021: £8,929) and employer national insurance contributions were a total of £30,044 (2021: £43,763).

**Martha Trust**  
(A company limited by guarantee)

**Notes to the financial statements**  
**For the year ended 31 December 2022**

**11. Tangible fixed assets**

	Freehold property £	Motor vehicles £	Fixtures and fittings £	Total £
<b>Cost or valuation</b>				
At 1 January 2022	6,260,745	119,462	1,368,503	7,748,710
Additions	-	17,000	55,966	72,966
Disposals	-	-	(19,754)	(19,754)
At 31 December 2022	<u>6,260,745</u>	<u>136,462</u>	<u>1,404,715</u>	<u>7,801,922</u>
<b>Depreciation</b>				
At 1 January 2022	1,751,565	111,218	977,540	2,840,323
Charge for the year	116,167	5,044	104,291	225,502
On disposals	-	-	(17,221)	(17,221)
At 31 December 2022	<u>1,867,732</u>	<u>116,262</u>	<u>1,064,610</u>	<u>3,048,604</u>
<b>Net book value</b>				
At 31 December 2022	<u>4,393,013</u>	<u>20,200</u>	<u>340,105</u>	<u>4,753,318</u>
At 31 December 2021	<u>4,509,180</u>	<u>8,244</u>	<u>390,963</u>	<u>4,908,387</u>

Included in land and buildings is freehold land at a valuation of £716,575 (2021: £716,575), which is not depreciated.

The Charity has adopted a policy of revaluation for tangible fixed assets. Had these assets been measured at historic cost, the carrying values would have been as follows:

	<b>2022</b>
	<b>£</b>
At cost:	<b>6,056,610</b>
At valuation: 1998 at open market value	<b>204,135</b>
	<u><b>6,260,745</b></u>

**Martha Trust**  
**(A company limited by guarantee)**

**Notes to the financial statements**  
**For the year ended 31 December 2022**

**11. Tangible fixed assets (continued)**

Included in the net book value of property displayed above are the following amounts ascribable to land:

	<b>2022</b>	2021
	£	£
Cost	<b>6,056,610</b>	6,056,610
Accumulated depreciation	<b>(1,690,252)</b>	(1,581,802)
	<b><u>4,366,358</u></b>	<u>4,474,808</u>

**12. Debtors**

	<b>2022</b>	2021
	£	£
Trade debtors	<b>556,109</b>	468,394
Other debtors	<b>10,933</b>	13,013
Prepayments and accrued income	<b>89,789</b>	56,733
	<b><u>656,831</u></b>	<u>538,140</u>

**13. Creditors: Amounts falling due within one year**

	<b>2022</b>	2021
	£	£
Barclays Mortgage	<b>23,496</b>	58,435
Charity Bank Loan 2	<b>28,338</b>	29,342
Charity Bank Loan 3	<b>9,107</b>	17,623
Trade creditors	<b>118,032</b>	68,713
Other taxation and social security	<b>81,275</b>	92,287
Other creditors	<b>46,587</b>	47,243
Accruals and deferred income	<b>161,623</b>	221,894
	<b><u>468,458</u></b>	<u>535,537</u>

**Deferred income**

Deferred income as at 1 January 2022 is £22,382. There have been resources deferred during the year of £70,009. £22,382 has been released relating to deferred income in previous years. The deferred income as at 31 December 2021 is therefore £70,009.

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 2022**

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

	<b>2022</b>	2021
	£	£
Barclays Mortgage	<b>104,320</b>	135,138
Charity Bank Loan 2	<b>352,608</b>	378,934
Charity Bank Loan 3	<b>165,983</b>	316,989
	<u><b>622,911</b></u>	<u>831,061</u>

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

	<b>2022</b>	2021
	£	£
Repayable by installments	<b>358,931</b>	523,794
	<u><b>358,931</b></u>	<u>523,794</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 2028 for £127,816. 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 4.4%. The outstanding balance of this loan as at 31 December 2022 was £380,947.

Charity Bank loan 3 is repayable in installments until 2037 and bears interest at a rate of 4.4%. The outstanding balance of this loan as at 31 December 2022 was £175,089.

**Martha Trust**  
(A company limited by guarantee)

**Notes to the financial statements**  
**For the year ended 31 December 2022**

**15. Statement of funds**

**Statement of funds - current year**

	Balance at 1 January 2022 £	Income £	Expenditure £	Transfers in/out £	Balance at 31 December 2022 £
<b>Unrestricted funds</b>					
<b>Designated funds</b>					
Designated fixed asset fund	3,160,192	-	-	112,523	3,272,715
<b>General funds</b>					
General Funds	1,015,219	6,283,284	(6,376,852)	(112,523)	809,128
Revaluation reserve	204,135	-	-	-	204,135
	<u>1,219,354</u>	<u>6,283,284</u>	<u>(6,376,852)</u>	<u>(112,523)</u>	<u>1,013,263</u>
<b>Total Unrestricted funds</b>	<u>4,379,546</u>	<u>6,283,284</u>	<u>(6,376,852)</u>	<u>-</u>	<u>4,285,978</u>
<b>Restricted funds</b>					
Frances House	230,556	10	(85)	-	230,481
Mary House	350,000	-	-	-	350,000
Mary House Vehicle	16,200	-	(16,200)	-	-
Mary House ICT	3,075	-	(797)	-	2,278
Mary House Misc	5,618	3,928	(2,926)	-	6,620
Martha House	2,314	1,771	(848)	-	3,237
Deal Staff Fund	2,862	205	(177)	-	2,890
Core Restricted	5,000	41,904	(36,161)	-	10,743
Staff Christmas Fund	-	2,785	(1,750)	-	1,035
Local Authority - Covid-19	133,516	57,788	(16,694)	-	174,610
Dave Poke Memorial Fund	3,100	-	-	-	3,100
Bladder Scanner	5,800	-	(5,800)	-	-
Rainbow Table	-	6,675	(4,099)	-	2,576
Deal Garden	-	2,500	(2,500)	-	-
	<u>758,041</u>	<u>117,566</u>	<u>(88,037)</u>	<u>-</u>	<u>787,570</u>
<b>Total of funds</b>	<u><u>5,137,587</u></u>	<u><u>6,400,850</u></u>	<u><u>(6,464,889)</u></u>	<u><u>-</u></u>	<u><u>5,073,548</u></u>



**Martha Trust**  
(A company limited by guarantee)

**Notes to the financial statements**  
**For the year ended 31 December 2022**

**15. Statement of funds (continued)**

**Statement of funds - prior year**

	Balance at 1 January 2021 £	Income £	Expenditure £	Transfers in/out £	Balance at 31 December 2021 £
<b>Unrestricted funds</b>					
<b>Designated funds</b>					
Designated fixed asset fund	3,015,334	-	-	144,858	3,160,192
<b>General funds</b>					
General Funds	741,893	6,132,823	(5,714,639)	(144,858)	1,015,219
Revaluation reserve	204,135	-	-	-	204,135
	946,028	6,132,823	(5,714,639)	(144,858)	1,219,354
<b>Total Unrestricted funds</b>	<b>3,961,362</b>	<b>6,132,823</b>	<b>(5,714,639)</b>	<b>-</b>	<b>4,379,546</b>
<b>Restricted funds</b>					
Frances House	230,556	-	-	-	230,556
Mary House	350,000	-	-	-	350,000
Mary House Vehicle	-	16,200	-	-	16,200
Mary House ICT	3,075	-	-	-	3,075
Mary House Misc	4,248	4,007	(2,637)	-	5,618
Martha House	2,270	2,500	(2,456)	-	2,314
Deal Water Garden	400	-	(400)	-	-
Deal Staff Fund	922	2,070	(130)	-	2,862
Core Restricted	-	35,796	(30,796)	-	5,000
Masonic Lodge Beds	16,908	-	(16,908)	-	-
Staff Christmas Fund	-	3,730	(3,730)	-	-
Local Authority - Covid-19	69,016	105,827	(41,327)	-	133,516
Dave Poke Memorial Fund	-	3,100	-	-	3,100
Communications for All	-	34,820	(34,820)	-	-
Bladder Scanner	-	5,800	-	-	5,800
	677,395	213,850	(133,204)	-	758,041
<b>Total of funds</b>	<b>4,638,757</b>	<b>6,346,673</b>	<b>(5,847,843)</b>	<b>-</b>	<b>5,137,587</b>

**Martha Trust**  
(A company limited by guarantee)

**Notes to the financial statements**  
**For the year ended 31 December 2022**

**15. Statement of funds (continued)**

**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.

**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 funder

**Martha Trust**  
**(A company limited by guarantee)**

**Notes to the financial statements**  
**For the year ended 31 December 2022**

**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.

**Dave Poke Memorial Fund**

Donations were raised in memory of the parent of one of the residents at Mary House. The family are considering use of the funds either towards a sensory garden or as a bursary for specialist training to support adults with PMLD.

**Mary House Vehicle**

We successfully fundraised for an adapted vehicle for our home in Hastings, Mary House. This vehicle now plays an integral role in our residents lives, enabling them to go out on an individual basis for medical appointments and trips out as an alternative to the use of the communal minibus.

**Bladder Scanner**

We successfully raised funds to purchase a bladder scanner and associated training that was needed. With the use of this diagnostic aid we will be able to scan and measure the volume of urine within the bladder so avoiding the use of unnecessary catheterization; reduce the rates of urinary tract infection due to incomplete emptying and help to manage incontinence. This piece of equipment will allow us to better support our residents health and wellbeing.

**Communications for All**

With most of our residents non-verbal our communications programme has proved life changing. As part of the development plan for communications at Martha, we identified the need to purchase two new portable eye-gaze units (Eye16 units) for use at our Deal homes to give our residents a voice and ability to have a say in their life. We are delighted that we exceeded our target raising enough for three Tobuu Dynavox I-16 units. Alongside this, the appeal also led to one of the parents of a resident purchasing a unit for their son.

**Rainbow Table**

Our appeal, to purchase two Rainbow Tables for our Deal homes proved popular with funders. These interactive touch screen multipurpose tablets are the perfect addition to our activity offering at Martha. And, we successfully ended the year completing the appeal with two grants pending payment and one Rainbow Table purchased.

**Deal Garden**

A number of restricted monies were received for use to enhance our gardens at our Deal homes, raised through in memory donations and a grant to support a volunteer day by a team from Swiss Re.

**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.

**Martha Trust**  
(A company limited by guarantee)

**Notes to the financial statements**  
**For the year ended 31 December 2022**

**16. Summary of funds**

**Summary of funds - current year**

	Balance at 1 January 2022 £	Income £	Expenditure £	Transfers in/out £	Balance at 31 December 2022 £
Designated funds	3,160,192	-	-	112,523	3,272,715
General funds	1,219,354	6,283,284	(6,376,852)	(112,523)	1,013,263
Restricted funds	758,041	117,566	(88,037)	-	787,570
	<u>5,137,587</u>	<u>6,400,850</u>	<u>(6,464,889)</u>	<u>-</u>	<u>5,073,548</u>

**Summary of funds - prior year**

	Balance at 1 January 2021 £	Income £	Expenditure £	Transfers in/out £	Balance at 31 December 2021 £
Designated funds	3,015,334	-	-	144,858	3,160,192
General funds	946,028	6,132,823	(5,714,639)	(144,858)	1,219,354
Restricted funds	677,395	213,850	(133,204)	-	758,041
	<u>4,638,757</u>	<u>6,346,673</u>	<u>(5,847,843)</u>	<u>-</u>	<u>5,137,587</u>

**17. Analysis of net assets between funds**

**Analysis of net assets between funds - current year**

	Unrestricted funds 2022 £	Restricted funds 2022 £	Total funds 2022 £
Tangible fixed assets	4,160,703	592,615	4,753,318
Current assets	1,216,644	194,955	1,411,599
Creditors due within one year	(468,458)	-	(468,458)
Creditors due in more than one year	(622,911)	-	(622,911)
<b>Total</b>	<u>4,285,978</u>	<u>787,570</u>	<u>5,073,548</u>

**Martha Trust**  
**(A company limited by guarantee)**

**Notes to the financial statements**  
**For the year ended 31 December 2022**

**17. Analysis of net assets between funds (continued)**

**Analysis of net assets between funds - prior year**

	Unrestricted funds 2021 £	Restricted funds 2021 £	Total funds 2021 £
Tangible fixed assets	4,295,624	612,763	4,908,387
Current assets	1,450,520	145,278	1,595,798
Creditors due within one year	(535,537)	-	(535,537)
Creditors due in more than one year	(831,061)	-	(831,061)
<b>Total</b>	<u><u>4,379,546</u></u>	<u><u>758,041</u></u>	<u><u>5,137,587</u></u>

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

	2022 £	2021 £
Net income/expenditure for the year (as per Statement of Financial Activities)	<u>(64,039)</u>	<u>498,830</u>
<b>Adjustments for:</b>		
Depreciation charges	<b>225,503</b>	200,346
Dividends, interests and rents from investments	<b>28,628</b>	35,350
Loss on the sale of fixed assets	<b>2,532</b>	18,601
Increase in debtors	<b>(118,691)</b>	(19,408)
Increase/(decrease) in creditors	<b>(22,620)</b>	147,005
<b>Net cash provided by operating activities</b>	<u><u><b>51,313</b></u></u>	<u><u>880,724</u></u>

**19. Analysis of cash and cash equivalents**

	2022 £	2021 £
Cash in hand	<u><b>754,768</b></u>	<u>1,057,658</u>
<b>Total cash and cash equivalents</b>	<u><u><b>754,768</b></u></u>	<u><u>1,057,658</u></u>

**Martha Trust**  
(A company limited by guarantee)

**Notes to the financial statements**  
**For the year ended 31 December 2022**

**20. Analysis of changes in net debt**

	At 1 January 2022 £	Cash flows £	At 31 December 2022 £
Cash at bank and in hand	1,057,658	(302,890)	754,768
Debt due within 1 year	(58,435)	34,939	(23,496)
Debt due after 1 year	(135,138)	30,818	(104,320)
Finance leases	(346,331)	(34,616)	(380,947)
	<u>517,754</u>	<u>(271,749)</u>	<u>246,005</u>

**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 £65,267 (2021: £61,924). Contributions totaling £15,072 (2021: £15,150) were payable to the fund at the balance sheet date and are included in creditors.

**22. Operating lease commitments**

At 31 December 2022 the Charity had commitments to make future minimum lease payments under non-cancellable operating leases as follows:

	2022 £	2021 £
Not later than 1 year	32,509	36,057
Later than 1 year and not later than 5 years	60,559	64,112
Later than 5 years	3,221	8,525
	<u>96,289</u>	<u>108,694</u>

**23. Related party transactions**

During the year ended 31 December 2022 donations totaling £2,219 (2021: £NIL) 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.