

Registered number: 03467406
Charity number: 1067885



Martha Trust

(A company limited by guarantee)

Trustees' report and financial statements

For the year ended 31 December 2019

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(A company limited by guarantee)

**Reference and administrative details of the Charity, its Trustees and advisers
for the year ended 31 December 2019**

Trustees	Amy Rosie Elizabeth Acamley (resigned 6 January 2019) Georgina Hovey Humphrey Clarke, Chairman John Quin Rebecca Pryse Richard Pitt Robert Sparkes Roger Walton
Company registered number	03467406
Charity registered number	1067885
Registered office	Homemead Lane Hacklinge Deal Kent CT14 0PG
Senior management team	Judy Brace (resigned 6 February 2019), Director of Resources Julie Gayler, Director of Operations & Marketing Natalia Olszewska (appointed 23 April 2019), Finance Director Owen Nolan (Senior Registered Home Manager and Clinical Lead) Claire Doe (HR and Internal Communications Manager)
Company secretary	George White (appointed 6 February 2019)
Chief executive officer	George White
Independent auditors	Kreston Reeves LLP Statutory Auditor 37 St Margaret's Street Canterbury Kent CT1 2TU
Bankers	Barclays Bank PLC 9 St George Street Canterbury Kent CT1 2JX
Solicitors	Girlings Solicitors LLP 16 Rose Lane Canterbury Kent CT1 2UR

Martha Trust

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Chairman's statement for the year ended 31 December 2019

The chairman presents his statement for the year.

I come to my review of 2019 with a sense of satisfaction. As Martha Trust's Chair in that year and most of the last decade, I have seen Martha continuing to thrive and develop, despite many difficulties. The Government's austerity measures during the decade meant that upward pressures on the costs of care have not been fully matched by funding increases. That applies to every one of the last ten years.

There are reasons for our resilience. At Martha we have the benefit of stability. Our Chief Executive and Deputy Chief Executive have both served the organisation for a number of years. Our staff are at the heart of what we do. We believe we have a culture where people know and appreciate that we care about them. We aim to do our best to enable them to develop their careers in the care sector. As I highlighted in my report last year, we have a particularly high rate of staff retention, well above the norm in the care sector. It is, in my opinion, our stability and our supportive and encouraging ethos that has enabled us to achieve such an enviable staff retention rate.

The Trust is an amazing community of people. Last year we stated in our objectives that we would work ever more closely with our families, ensuring that we enhance their experiences with us. I am happy to report that we did this. Two family members attended the Trustee Board meetings throughout 2019. They were also represented on a newly formed Funding Strategy Group who report directly to the Board. Finally, the Parents Representative Group, chaired by a parent of one of the residents, met regularly during the year and these close ties led to discussions that continue to enhance the lives of our residents. We are also blessed with a very talented and multi-skilled board with skills ranging from clinical to legal and financial. Our Parents Representative Group is chaired by Brett Martin who has outlined their work in the paragraph below and the benefits it brings to the organisation.

"The parent rep team at Deal is represented by Brett Martin, Linda Arthur and Andy Tague. We all give up our time voluntarily and endeavour to represent the pulse of the families. During the year we held 2 family forum meetings which were well supported by both parents and the SMT. Feedback from these meetings has been that they provide a valuable 2-way information exchange and parents want these to continue. During the year the parents rep team also continued to meet regularly with the Deal SMT. It was great to see the team develop and use their own life skills & strengths to help out the Trust. Assisting with items such as the funding sub group, performance issues with the hydro pool and sharing information from a parents' perspective at various fundraising events."

Throughout the year, we have worked tirelessly to continually improve on what we do. Our new computerised care plan system has led to much better recording of the care we give. Visiting care managers have observed that it showcases our professionalism as a provider of care services. Since the year end, an inspection from the Care Quality Commission for both our Deal homes reported that we meet the standards required in all areas of their inspection review. The CQC rating was good in all five key areas and good overall. Our Hastings home has been rated good in all five areas and good overall since 2018.

Last year, Safeguarding took up most of my report and I make no apology for that. We care for some of the most vulnerable people in society. The Safeguarding Champions we introduced into all operational areas of our care has worked really well. This, coupled with the Senior Management Team leading all Safeguarding training, has had a real impact. Any matters that have arisen have been promptly reported. A culture of learning and being proportionate in our responses, rather than a blame culture, has given staff much greater confidence in reporting concerns.

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Chairman's statement (continued)
for the year ended 31 December 2019

The Trust, like many charities, has to look for funding away from the mainstream local authority sources to ensure we can give the excellent care to our residents that we have always strived for. Our two major fundraising activities were a great success in 2019. Our annual Music on the Farm was a sell-out long before the event took place and we were blessed with lovely weather on the day. Our annual car challenge, Fleeing to Florence, had the highest number of cars since the event first started over a decade ago and raised £31,229 in sponsorship. I am extremely grateful to all those who took part and particularly the CEO and Deputy CEO for ensuring the event was well run and all arrived in Florence safely.

We are all aware that Social Care has been underfunded for many years. We long to see change in this and we campaign for that change. We have made strong representation to all the authorities who have care placements with us for the right funding for each and every one of the people we support.

May God bless you

A handwritten signature in black ink, appearing to read 'P. Lawrence', with a horizontal line underneath.

Chairman
Date: 20 August 2020

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Trustees' report
for the year ended 31 December 2019

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 2019. 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 2015).

Purpose and Aims

a. Purpose

We are an established regional charity, formed in 1987, providing residential and respite care to people 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 their world around them.
- promoting Good Health and Holistic well-being.

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

We achieve this by:

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

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

Our Mission is to offer friendship and encouragement to the people we support, enabling them to achieve their own goals. Our Values are:

- We treat everyone with respect and dignity;
- We show compassion to everyone at Martha, including each other;
- We are always supportive and encouraging.

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

Trustees' report (continued)
for the year ended 31 December 2019

Purpose and Aims (continued)

b. Our organisational aims

- Be recognised as an outstanding provider of high-quality and innovative services for people with profound physical and multiple learning disabilities (PMLD).
- Offer an environment in which each person can grow and develop whilst enjoying life to the full, through support that is focused on them, flexible, and creative. We are committed to delivering person-centred care, enabling each individual to lead a rewarding life full of happy memories.
- Raise our profile through expert knowledge and community development. We will:
 - Work to understand the local and national PMLD agenda and participate where appropriate, maintaining links with relevant groups and forums;
 - Partner with local universities to ensure that our knowledge is up to date and evidence-based, continuing to support student nurses through mentorship courses on each site.
- Ensure financial sustainability for the future through:
 - Robust individual needs assessments and fee negotiations on new and existing contracts;
 - Enhancing our marketing strategy to raise awareness of our services to the widest possible audience and communicate the effectiveness of what we do;
 - Continuing to grow our fundraising income through our presence in the local community and greater focus on grant income;
 - Maximisation of under-utilised space by consolidating office space onto one site;
 - Explore new service and income generation opportunities.

Trustees' report (continued)
for the year ended 31 December 2019

Purpose and Aims (continued)

c. Our objectives for 2019

- Focus development of the Deal site Continuous Improvement Plan on areas of improvement highlighted in December 2018 CQC Inspection Report. Continue to build on areas rated as Good with a view to achieving Outstanding.
- Ensure the ongoing future of the organisation by continuously reviewing and updating our long term strategic plan, keeping in sight our aim to be an industry leader in PMLD care, reacting to changes and reflecting these in our three-year financial strategy.
- Continue to evolve our strategic approach to recruitment and retention – always recognising that the people who work for Martha Trust are key to our ongoing success and improvement.
- Utilise the voices of families to continue to enhance our inclusive and supportive relationships all the while enhancing their experiences with us.
- Ensure our training programme is effectively upskilling staff; identifying any development opportunities that could enable us to provide even better standards of person-centred care.
- Further enhance our Safeguarding project by completing the advanced training of the management team.
- Explore all possible avenues to achieve registration from CQC for additional provision of two rooms on the Hastings site.
- Continue to strengthen our quality assurance framework; constantly reviewing policies and considering ways of utilising technology to improve the recording and audit processes.
- Ensure daily activity plans are reviewed to reflect the changing needs of the people they relate to, and work with staff to ensure evidence is collated.
- Work to develop a communication plan, further advancing opportunities for residents to communicate with others and express themselves.
- Maintain a fair shift planning process to ensure service users' needs are met at all times of day and night.
- Build on existing relationships with external stakeholders, including local authority multidisciplinary teams and adult safeguarding boards.
- Increase the voluntary income against budget by continuing with the work to raise our profile in both Deal and Hastings, utilising the strengths of the fundraising team.
- Challenge funding authorities to increase their fees in order to cover rising costs as part of an ongoing and constantly evolving three-year financial forecast that reflects the needs of the residents and provides sustainability for the organisation.
- Implement GDPR plans to ensure the organisation meets the latest legal requirements.

Trustees' report (continued)
for the year ended 31 December 2019

Purpose and Aims (continued)

d. Activities for achieving objectives

Martha Trust strives to be an organisation that adapts and evolves; taking a long term strategic approach, whilst reacting to the changing needs of our residents, staff and stakeholders as well as external influences such as government policy and changing legislation.

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

We are passionate about supporting people with Profound and Multiple Learning Disabilities (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 their world around them and promoting good health and holistic well-being.

We continue to be committed to working alongside families, recognising their wealth of knowledge, including them as much as possible in decision making and listening to feedback and ideas which will improve the experience for those involved and create meaningful relationships for the benefit of everyone. To achieve this we hold regular family forums and have dedicated parent representatives on each site, who meet with senior management monthly or more regularly if required.

The 2019 family feedback questionnaire results overall improved in most areas compared to 2018 responses. Most significantly, for the first year all the families that completed the questionnaire rated us as good or excellent in all questions in the 'Overall' section, with all saying they would recommend Martha. This is the first time we have had a unanimous positive response to this section.

In 2019 there were some changes to the management team at Martha. The Director of Resources left for pastures new in February and was replaced with a new Finance Director, Natalia Olszewska, who has already made significant impact. As part of our evolving three-year financial forecast it is vital that funding authorities are challenged in order that their fees cover the rising costs of delivering our services. Natalia, with her new team, has already made significant progress with resident fee negotiations as well as implementing a range of new financial reporting systems.

We also welcomed Claire Doe to the SMT, in her new role as HR and Internal Communications Manager.

We have had a very focused care management team across the organisation, led by the Deputy CEO, who holds the CQC registration for the Deal site, and the Senior Registered Manager at Hastings, Owen Nolan, who is also our Strategic Nursing and Learning Disability Lead and a member of the Senior Management Team (SMT).

During the year the Medical Administrator, Bridie Boakes, on the Hastings site was deservedly promoted to Deputy Home Manager in September, joining the existing three deputies at Martha. Owen Nolan has also had his first full year in his new role, during which he has reviewed and updated key policies and audits, including medication and infection control.

The new care management structure has enabled us to introduce a greater level of quality and consistency in our service delivery, by providing peer support and shared learning. We continue to hold six weekly Clinical Governance Meetings where the whole management team can contribute to policy-making, review important areas such as safeguarding, training and budget and reflect on any practice issues to ensure improvements are implemented.

Organisationally we have reviewed the effectiveness and efficiency of several of the care functions. On the Deal site this has resulted in the redeployment of activities staff into new roles focused on Communications, Hydrotherapy and a dedicated driver to support residents to appointments and community activities. This definition of roles has enabled a more comprehensive activities programme to be developed for each resident which ensures they are able to take part in more health and social activities which they enjoy and benefit from.

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Trustees' report (continued)
for the year ended 31 December 2019

Purpose and Aims (continued)

Having specific hydrotherapy support workers has increased the number of sessions available to the residents, which was historically impacted if staff numbers were limited due to sickness or resident appointments.

An internal recruitment drive has also been undertaken at Deal to increase the number of Senior Support Workers. This is a vital role, providing valuable support to the nurses and ensuring the care teams are allocated on shift effectively and delivering the planned support for all residents to the highest standard. Each Senior Support Worker needs to complete a range of competencies, including administration of medication, which are signed off by one of the qualified nurses.

At Mary House we identified a need for someone to lead on delivering therapy programmes for the residents and manual handling training to our staff. An existing Senior Support Worker, Lizzy, had always taken a keen interest in working with the physiotherapist and taking the lead on working with the residents on their passive range of movement exercises and other therapies. Until recently she was doing this alongside her other responsibilities of being a Senior. But her role has changed to Therapy Lead. This involves being the lead liaison with local health professionals providing Occupational Therapy, Physiotherapy and Speech and Language Therapy for the residents at Mary House, as well as shared responsibility for overseeing hydrotherapy.

Last year Lizzy completed a four day RoSPA (Royal Society for the Prevention of Accidents) Level 3 Award for Manual Handling Trainers qualification. She now delivers regular training sessions alongside a colleague who trained with her, avoiding the need to bring in external providers.

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

Following the Deal site CQC inspection, the CIP was invaluable in driving forward the changes needed to achieve a Good overall rating and aspire to reaching Outstanding in those areas previously rated as Good.

We remain committed to benchmarking our own services against the standards outlined in the 'Raising our Sights' report compiled by the late Professor Jim Mansell, ensuring we are 'designing and delivering arrangements tailored to the individual person's needs and preferences'. Our service is also aligned with the principles of The Department of Health's 'Valuing People'.

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 care provided.

In the latter part of 2018, following months of research and discussion, the decision was made to implement an electronic care plan and daily record system called Person Centred Software (PCS). This system enables comprehensive details of all residents' care plans, risk assessments, daily health regimes, medication protocols and social activities to be recorded and accessed by the care and management teams in real time.

PCS has resulted in more effective delivery of each individual's daily care plan, alongside the implementation of monitoring systems to audit the information available. This analysis ensures daily activity plans are constantly reviewed and enhanced to reflect the changing needs of the individuals they relate to.

At the end of 2019 we were still awaiting a decision from CQC on our application to open two new rooms at Mary House. Construction of the two new rooms, to enable us to provide a home for two additional individuals with PMLD on a full time basis, and an interactive computer suite was completed in summer 2018. We are pleased to confirm that approval was granted on 3 April 2020.

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Trustees' report (continued)
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Purpose and Aims (continued)

The Senior Management Team and Trustees stand by their belief that supporting two additional families by opening the rooms would be a benefit for all. The families of those who are waiting to move in, as well as our local MP for Hastings, have remained positive and supportive, and for that we are constantly grateful. We continue to remain committed to increasing our support for those with PMLD, and their families, and intend to do all within our power to open the rooms in Mary House.

In 2019 the 'People Plan' implemented in 2018 continued, following the success of this change of approach at all levels. By viewing staff as a valuable commodity and ensuring that as an organisation Martha look to be as compassionate and supportive as possible, we are able to incorporate our values into every stage of an employee's career. Retention levels have improved across the organisation, with a number of employees choosing to return to Martha having tried alternative employment. Feedback from the newly introduced two week HR supervisions was overwhelmingly positive, with new starters reporting feeling welcomed, supported and comfortable in the homes.

Staff wellbeing has been a focus on both sites in 2019, and in June members of the management teams of both sites gained their 'FAA Level 2 Award in First Aid for Mental Health (RGF)' Furthermore, after a difficult period in Martha House, a bereavement Counsellor was brought on site for staff to access for one to one sessions. By supporting staff through these hard times, and showing a willingness to listen and acknowledge when people may need our help, we hope to lead by example when it comes to compassion, support and respect - all values held by Martha Trust.

The appreciation plan continues to work well as a means to show staff they are valued and respected. At Christmas 2019 we introduced 'Christmas boxes' for each shift from Christmas Eve all the way through to Boxing day night, as well as over the New Year period. Boxes were wrapped in Christmas paper, labeled and then placed underneath Christmas trees in each of the homes. They were then unwrapped at the start of each shift. Each box contained a different selection of treats for those staff, from breakfast goodies such as pastries and juice, to non-alcoholic beers and chocolates.

Training continues to be delivered face to face by both internal and external trainers. The benefit of internal trainers is that they are able to relate the course to Martha Trust, and adapt the course as necessary whereas external courses can become repetitive, and are not always best value for money. Therefore, we believe there is scope to improve our training provision further, and this will be reviewed for 2020. Furthermore, if we consider e-learning we may be able to access a larger number of courses which will enable employees to gain additional skills and aid in their self-development. The success of PCS has certainly shown that staff are able to adapt and embrace change.

In 2018 Martha Trust started working with an external consultancy to implement a long term plan to improve all aspects of Safeguarding. With the guidance of Sally Ann Bolton, the whole governance and process of Safeguarding within Martha Trust was reviewed and improved. We have built on these foundations in 2019 by upskilling allocated Designated Safeguarding Leads with 'Train the Trainer' qualifications, bringing the bespoke course in-house and further committing to this essential topic of ensuring all who live and work at Martha Trust are safe from harm.

As always, communication is key to ensuring Martha Trust continues to evolve in an informed and positive way. Internally, the staff listening group is now well established and enables a flow of information both ways between the Senior Management Team, and employees.

The annual staff questionnaire was released to all Martha staff in January 2019. When comparing responses to the 2018 survey, it was clear that the actions taken to address issues raised had a significant, positive impact. 85% of staff indicated they were happy at work and that Martha was a good place to work, compared to 74% the previous year. Responses to the question asking if staff felt valued and supported had also risen to 79% from 63%.

2019 was a successful year for fundraising and this is reflected by a 23% uplift on our forecasted unrestricted income.

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Trustees' report (continued)
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Purpose and Aims (continued)

Our programme of fundraising events performed especially well, with our flagship music event, Music on the Farm, having an exceptional year. We received record income from this event, partly down to the good weather and the reactive approach we took in the week leading up to the event to maximise income opportunities. We took almost £2,000 on the gate ticket sales and large volumes in the final week leading up to the event. The larger footfall at the event impacted on income across everything on the day. We have grown and developed this event over a number of years and it is well supported by the local community and as such has enabled us to secure key support from local businesses through sponsorship and gifts in kind. One of the biggest achievements was delivering this event on a minimal budget.

Our 2019 car challenge Fleeing to Florence was to a new destination of Florence in Italy. This proved a popular location and with a successful campaign on Facebook we saw a record number of participants take part – 29 in thirteen cars. With the great uptake for this event we exceeded our income target by 10%. Historically we have found that participants in our car challenges go on to be long term supporters of Martha which is an additional bonus.

The other events in 2019 all performed on or near to forecasted income.

In 2019 we saw some recovery in direct marketing income following the data cleaning we carried out in 2018 to ensure compliance with the new GDPR legislation. We have continued to experience a lack of unrestricted income from Trusts and Foundations which had a big impact on our direct marketing income.

General income was up on forecast with in memory donations proving to be a popular new income stream. The launch of the Dover District Lotto at the beginning of 2019 is also proving to be a great source of regular income. Whilst donations from regular donors remains static.

We continue to build on support from local businesses and nurture relationships.

Our profile in the local communities within which we work continues to grow and we are spreading awareness further into Kent and Sussex. We are building good foundations in the Hastings area with key community groups. Our annual car challenge reaches a far wider audience and we had teams sign up from across Kent. Our social media strategy is still gathering momentum with our Facebook followers up 27% on 2018 and Twitter up 20%.

With the ongoing challenges we have experienced with securing unrestricted income from Trusts and Foundations, we enlisted the help of a Fundraising Consultant at the end of 2018. The consultant started to support our work with our grant applications in 2019, alongside this our Trusts and Major Donors Officer retired. We took the decision not to appoint a new Trusts Officer but to continue managing grant applications within the existing team with the support of the external consultant.

Our new approach was to shift our focus away from grant applications that focused purely on capital and restricted appeals and look at ways to secure core funding. We have had a mixed response to our applications to date.

We have learnt a lot of valuable lessons over the past year, the majority of funders don't want to support training costs, and securing money to cover staff costs is difficult. Most disappointing was our application to the National Lottery, Reaching Communities Fund. Sadly, although we received a positive site visit and were hopeful that our application would be received favourably, the criteria changed and our application was no longer a clear fit.

We end the year with our fundraising team (equivalent of 2.5 f/t roles) working well and delivering good returns. The results in 2019 reflect our new focus and we are hopeful that we will continue to see the growth in our fundraising and support.

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Trustees' report (continued)
for the year ended 31 December 2019

Strategic report

Achievements and performance

a. Key performance indicators

Martha Trust had a challenging year which has been reflected by its financial performance in 2019. Total income was £5.26 million (2018: £5.05 million) and the loss was £156,007 (2018: loss £110,331). Room occupancy was 96.3% compared to 97.6% in 2018 and 98.8% in 2017. There was one vacancy at the end of 2019.

Martha Trust continues to experience the erosion of real terms fee values. Although some funding authorities awarded inflationary increases during 2019 as well as after the balance sheet date, overall for the tenth consecutive year these increases have not kept pace with rising costs. We anticipate that this is likely to continue for the foreseeable future. In particular, increases in the National Living Wage over recent years have not been fully funded by any of our funding authorities. Some funding authorities have failed so far to provide any additional funding at all to cover National Living Wage increases. We have achieved some fee increases where individual residents' support needs have changed although these only fund the necessary increase in staffing cost to meet the residents' increased needs. Many of our longer term residents' fees are worth less than 70% of their previous value from less than a decade ago. We continue to challenge fees that have fallen behind cost and we are optimistic that this will result in some fee increases. Continuing the trend, we have highlighted in recent years, new care enquiries are increasingly for more complex needs. It remains a challenge to ensure that staffing of additional support in excess of the basic package is adequately funded.

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 East Sussex and we are working with them to a greater extent than has been the case in prior years in respect of Mary House, Hastings.

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. Costs (excluding Governance Costs) were £251,439 higher than in 2018. Staff costs were £140,920 higher and most of the remainder of the increase in costs was due to operational needs related to compliance with legislation and good practice.

The year ended with the following results:

- Total income £5.26m (2018: £5.05m)
- Expenditure £5.41m (2018: £5.16m)
- Loss £0.2m (2018: £0.1m)
- Percentage costs of management and administration 6.93% (2018: 7.57%)
- Occupancy 96.3% (2018: 97.6%)
- Balance Sheet total funds £4.4m (2018: £4.5m)

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Trustees' report (continued)
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Strategic report (continued)

Achievements and performance (continued)

b. Review of activities

There were five new residential placements and five new respite placements during the year. Enquiries from families and clinical professionals seeking a possible placement continue to be at an encouraging level. Residential rooms are very much in demand. There continues to be one vacancy and although the place has been offered to a new resident, this resident has not been able to move in due to Covid-19 precautions. We believe that any vacancies that may arise during 2020 are likely to be filled quickly from our growing waiting list once the Covid-19 situation is under control. Demand for our respite care services continues to exceed supply and indications are that it will continue that way in the future.

The average occupancy rate of 96.3% was lower than the budgeted 97.5%, mainly due to six vacancies arising. The impact of occupancy rates on the surplus is fundamental. We work to keep occupancy as high as possible and this has become even more important in view of few inflationary increases for several years. The occupancy rate after the Balance Sheet date continues to be in the region of 96%.

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

After making appropriate enquiries, 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. The financial effect of Covid-19 has been referred to in section f below.

b. Financial risk management objectives and policies

Financial risk is minimised in several ways by Martha Trust. The ways we manage risk include depositing cash in conventional low risk bank accounts, credit control to manage unpaid fees and maximise bank balances and proper appraisal of any new developments. Martha Trust's policies and procedures detail financial risk management in all the ways this is embedded in our organisational culture.

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Trustees' report (continued)
for the year ended 31 December 2019

Strategic report (continued)

Financial review (continued)

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 has caused notable cost increases as we need to spend more on maintaining and enhancing the quality of care. The Trustees have always believed it is absolutely correct for stakeholders to have confidence that our service is safe, effective, caring, responsive and well led. Securing funding for the essential spending that is increasingly required remains very challenging.

Staffing costs in terms of remuneration as well as “on-costs” and other human resource expenditure such as training have increased. National Living Wage (NLW) increases year by year. Although some funding authorities have increased fee levels, those increases do not come close to compensate the increase in wage costs. This results in continued pressure on resources and a greater challenge in maintaining financial stability.

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

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Trustees' report (continued)
for the year ended 31 December 2019

Strategic report (continued)

Financial review (continued)

d. Principal Funding

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

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

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

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

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.

Martha Trust
(A company limited by guarantee)

Trustees' report (continued)
for the year ended 31 December 2019

Strategic report (continued)

Financial review (continued)

f. Covid-19

Since the balance sheet date Martha Trust has reacted rapidly to the risk of Covid-19 and we have immediately implemented the following measures to prevent the disease from entering our homes:

- Full lockdown of all our homes (no family visits or external activities);
- Use of full PPE in accordance with the latest government guidelines;
- Minimum staff numbers to reduce potential spread;
- Minimum agency staff and regular agency where possible;
- Strict isolation procedures and testing for residents and staff returning from hospital;
- Closure of respite and day care;
- Delay in filling vacancies.

These measures have allowed us to keep Covid-19 out of our homes.

Strict social distancing as a result of Covid-19 have meant that we had to cancel our main fundraising events, Music on the Farm and the Car Challenge. We have also lost our respite income and income from a new resident who was due to move in April. However, we have been able to apply for numerous Covid-19 grants instead. We have also received significant support grants from local authorities and infection control grants. Through reduction in staff numbers we were able to save significant amounts on staffing and agency.

As we write this, we can confirm that we anticipate filling the vacancy and the respite room with new residents towards the end of 2020.

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. Methods of appointment or election of Trustees

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

c. Policies adopted for the induction and training of Trustees

For all new Trustees we undertake a programme using the guidance from the Charity Commission under the heading of good governance. We discuss with them the six key elements of charity governance to ensure that they have a full understanding of their responsibilities. In addition, new Trustees will attend a seminar on their responsibilities by a specialist charity firm during the first year of their Trusteeship at Martha. New Trustees will also be allocated an experienced Trustee to guide them in their first six months of Trusteeship.

Martha Trust
(A company limited by guarantee)

Trustees' report (continued)
for the year ended 31 December 2019

Structure, governance and management (continued)

d. Pay policy for senior staff

The Trustees are able to claim all reasonable travelling, hotel 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 otherwise are paid no 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 8 Trustees, who are also Directors of Martha Trust for the purposes of company law. The Senior Management Team consists of the Chief Executive Officer and two Directors one of whom is also the Deputy CEO. The Deputy CEO and Finance Director have operational responsibility for the organisation.

There are four full Board Meetings per year, plus four Audit & Finance Committee Meetings. Trustees also have representation on the Safeguarding Committee and Clinical Governance Meetings, which meet every six weeks.

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

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

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

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

f. Risk management

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

Trustees' report (continued)
for the year ended 31 December 2019

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 we serve 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.
- Lead the UK 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 business, supporting and developing the staff and volunteers who work for us by:

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

Risk policy

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

Reserves policy

In accordance with the Charity Commission guidance, the Trustees review on a regular basis the level of income reserves that it considers appropriate. At 31 December 2019, the Trustees consider it appropriate to hold free reserves equivalent to at least three month's expected general expenditure for one home which is in the region of £380,000. The free reserves at 31 December 2019 amounted to £477,358.

The Trustees are satisfied with the level of reserves held due to the level of risks and uncertainty within the care sector at the current time.

Martha Trust
(A company limited by guarantee)

Trustees' report (continued)
for the year ended 31 December 2019

Remuneration and social investment policy

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

Staff should be rewarded in relation to:

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

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

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

Disclosure of information to auditors

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 charity'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 charity's auditors are aware of that information.
- that Trustee had due regard to the Charity's Commission's public benefit guidance when exercising any powers or duties to which is the guidance is relevant.

Auditors

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

Approved by order of the members of the board of Trustees on 20 August 2020 and signed on their behalf by:



Humphrey Clarke
(Chair of Trustees)

Martha Trust
(A company limited by guarantee)

Statement of Trustees' responsibilities
for the year ended 31 December 2019

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 2019 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 2019 and of its incoming resources and application of resources, including its income and expenditure for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditors' responsibilities for the audit of the financial statements section of our report. We are independent of the charitable company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the United Kingdom, including the Financial Reporting Council's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

- the Trustees' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the Trustees have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the charitable company's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

Martha Trust
(A company limited by guarantee)

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

Other information

The Trustees are responsible for the other information. The other information comprises the information included in the annual report, other than the financial statements and our auditors' report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

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

We have nothing to report in this regard.

Opinion on other matters prescribed by the Companies Act 2006

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

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

Matters on which we are required to report by exception

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

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

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

Responsibilities of trustees

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

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

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

Auditors' responsibilities for the audit of the financial statements

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

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.

Kreston Reeves LLP

Samantha Rouse FCCA DChA (senior statutory auditor)

for and on behalf of
Kreston Reeves LLP

Statutory Auditor
Chartered Accountants

Canterbury

20 August 2020

Martha Trust
(A company limited by guarantee)

**Statement of financial activities (incorporating income and expenditure account)
for the year ended 31 December 2019**

	Note	Unrestricted funds 2019 £	Restricted funds 2019 £	Total funds 2019 £	Total funds 2018 £
Income from:					
Donations and legacies	3	215,595	37,146	252,741	210,658
Charitable activities	4	5,003,521	-	5,003,521	4,840,582
Other income	5	2,588	-	2,588	2,104
Total income		5,221,704	37,146	5,258,850	5,053,344
Expenditure on:					
Raising funds	6	134,340	6,924	141,264	153,503
Charitable activities	7	5,235,387	38,206	5,273,593	5,010,172
Total expenditure		5,369,727	45,130	5,414,857	5,163,675
Net movement in funds		(148,023)	(7,984)	(156,007)	(110,331)
Reconciliation of funds:					
Total funds brought forward		3,906,772	614,053	4,520,825	4,631,156
Net movement in funds		(148,023)	(7,984)	(156,007)	(110,331)
Total funds carried forward		3,758,749	606,069	4,364,818	4,520,825

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

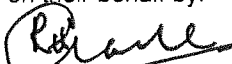
The notes on pages 27 to 47 form part of these financial statements.

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

Balance sheet
as at 31 December 2019

	Note	2019 £	2018 £
Fixed assets			
Tangible assets	11	5,115,264	5,268,718
		<u>5,115,264</u>	<u>5,268,718</u>
Current assets			
Debtors	12	341,012	433,594
Cash at bank and in hand		435,175	395,083
		<u>776,187</u>	<u>828,677</u>
Creditors: amounts falling due within one year	13	(375,943)	(323,638)
Net current assets		<u>400,244</u>	<u>505,039</u>
Total assets less current liabilities		<u>5,515,508</u>	<u>5,773,757</u>
Creditors: amounts falling due after more than one year	14	(1,150,690)	(1,252,932)
Total net assets		<u><u>4,364,818</u></u>	<u><u>4,520,825</u></u>
Charity funds			
Restricted funds	15	606,069	614,053
Unrestricted funds			
Designated funds	15	3,077,256	3,097,287
General funds	15	477,358	605,350
Revaluation reserve		204,135	204,135
Total unrestricted funds	15	<u>3,758,749</u>	<u>3,906,772</u>
Total funds		<u><u>4,364,818</u></u>	<u><u>4,520,825</u></u>

The financial statements were approved and authorised for issue by the Trustees on 20 August 2020 and signed on their behalf by:


Humphrey Clarke
Chairman

The notes on pages 27 to 47 form part of these financial statements.

Martha Trust
(A company limited by guarantee)

Statement of cash flows
for the year ended 31 December 2019

	2019 £	2018 £
Cash flows from operating activities		
Net cash used in operating activities	280,784	286,663
	<hr/>	<hr/>
Cash flows from investing activities		
Dividends, interests and rents from investments	(49,731)	(51,763)
Purchase of tangible fixed assets	(80,757)	(287,561)
	<hr/>	<hr/>
Net cash used in investing activities	(130,488)	(339,324)
	<hr/>	<hr/>
Cash flows from financing activities		
Repayments of borrowing	(110,204)	(106,684)
	<hr/>	<hr/>
Net cash used in financing activities	(110,204)	(106,684)
	<hr/>	<hr/>
Change in cash and cash equivalents in the year	40,092	(159,345)
Cash and cash equivalents at the beginning of the year	395,083	554,428
	<hr/>	<hr/>
Cash and cash equivalents at the end of the year	<u>435,175</u>	<u>395,083</u>

The notes on pages 27 to 47 form part of these financial statements

Martha Trust
(A company limited by guarantee)

Notes to the financial statements
for the year ended 31 December 2019

1. General information

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

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

2. Accounting policies

2.1 Basis of preparation of financial statements

The financial statements have been prepared in accordance with the Charities SORP (FRS 102) - Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2015), the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) and the Companies Act 2006.

The charity has applied all amendments to FRS102, in accordance with the mandatory adoption of the triennial review for accounting periods beginning on or after 1 January 2019.

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

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

The charity's functional currency is Pounds Sterling.

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

2.2 Company status

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

2.3 Fund accounting

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

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

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

Notes to the financial statements
for the year ended 31 December 2019

2. Accounting policies (continued)

2.4 Income

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

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

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

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

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

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

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

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

Notes to the financial statements
for the year ended 31 December 2019

2. Accounting policies (continued)

2.5 Expenditure

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

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

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

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

2.6 Going concern

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

2.7 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.

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.

2.8 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.

Notes to the financial statements
for the year ended 31 December 2019

2. Accounting policies (continued)

2.9 Operating leases

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

2.10 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.

2.11 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.

2.12 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.

2.13 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 2019

2. Accounting policies (continued)

2.14 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 £5,115,264 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 2.7). 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.

2.15 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.

2.16 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.

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Notes to the financial statements
for the year ended 31 December 2019

3. Income from donations and legacies

	Unrestricted funds 2019 £	Restricted funds 2019 £	Total funds 2019 £	Total funds 2018 £
Donations	215,595	37,146	252,741	210,658
	<u>215,595</u>	<u>37,146</u>	<u>252,741</u>	
Total 2018	159,922	50,736	210,658	
	<u>159,922</u>	<u>50,736</u>	<u>210,658</u>	

4. Income from charitable activities

	Unrestricted funds 2019 £	Total funds 2019 £	Total funds 2018 £
Residential and day care fees	5,003,521	5,003,521	4,840,582
	<u>5,003,521</u>	<u>5,003,521</u>	<u>4,840,582</u>

5. Other incoming resources

	Unrestricted funds 2019 £	Total funds 2019 £	Total funds 2018 £
Other	2,588	2,588	2,104
	<u>2,588</u>	<u>2,588</u>	<u>2,104</u>

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Notes to the financial statements
for the year ended 31 December 2019

6. Expenditure on raising funds

Costs of raising voluntary income

	Unrestricted funds 2019 £	Restricted funds 2019 £	Total funds 2019 £	Total funds 2018 £
Events and publicity costs	30,329	6,924	37,253	32,994
Legal and professional	1,356	-	1,356	1,352
General office costs	3,963	-	3,963	2,782
Maintenance/Utilities/Sundry	1,203	-	1,203	948
Salaries to generate income	97,489	-	97,489	115,427
Total 2019	134,340	6,924	141,264	153,503
Total 2018	153,503	-	153,503	

7. Analysis of expenditure on charitable activities

Summary by fund type

	Unrestricted funds 2019 £	Restricted funds 2019 £	Total funds 2019 £	Total funds 2018 £
Residential and day care costs	5,235,387	38,206	5,273,593	5,010,172
Total 2018	5,006,500	3,672	5,010,172	

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Notes to the financial statements
for the year ended 31 December 2019

8. Analysis of expenditure by activities

	Activities undertaken directly 2019 £	Support costs 2019 £	Total funds 2019 £	Total funds 2018 £
Residential and day care costs	4,898,105	375,488	5,273,593	5,010,172
	<u>4,898,105</u>	<u>375,488</u>	<u>5,273,593</u>	
Total 2018	4,618,902	391,270	5,010,172	
	<u>4,618,902</u>	<u>391,270</u>	<u>5,010,172</u>	

Analysis of direct costs

	Residential and day care 2019 £	Total funds 2019 £	Total funds 2018 £
Staff costs	3,286,878	3,286,878	3,145,958
Depreciation	210,780	210,780	212,174
Establishment costs	1,400,447	1,400,447	1,260,770
	<u>4,898,105</u>	<u>4,898,105</u>	<u>4,618,902</u>
Total 2019	4,898,105	4,898,105	4,618,902

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Notes to the financial statements
for the year ended 31 December 2019

8. Analysis of expenditure by activities (continued)

Analysis of support costs

	Residential and day care 2019 £	Total funds 2019 £	Total funds 2018 £
Wages and salaries	245,185	245,185	245,446
Depreciation	21,138	21,138	21,447
Establishment costs	320	320	486
Travel and subsistence	4,334	4,334	7,055
Insurance	2,095	2,095	2,576
Maintenance, cleaning and repairs	12,350	12,350	12,386
Print, post and stationery	1,898	1,898	3,043
Telephone and fax	2,230	2,230	2,005
Operating lease rentals and equipment	8,741	8,741	8,922
Staff training	2,280	2,280	5,377
General expenses	1,018	1,018	979
Bank charges and interest	2,050	2,050	2,101
IT Costs	490	490	3,754
Legal and professional fees	57,672	57,672	64,557
Publicity and communications	4,992	4,992	2,184
Governance costs	8,695	8,695	8,952
Total 2019	375,488	375,488	391,270

9. Net income/(expenditure)

This is stated after charging:

	2019 £	2018 £
Depreciation of tangible fixed assets:	231,918	233,621
- owned by the charity		
Auditors' remuneration - audit	8,400	8,340
Operating lease rentals	15,350	13,850

During the year, no Trustees received any remuneration (2018: £NIL).

During the year, no Trustees received any benefits in kind (2018: £NIL).

2 Trustees received reimbursement of expenses amounting to £195 in the current year, (2018: 2 Trustees - £326).

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Notes to the financial statements
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10. Staff costs

	2019	2018
	£	£
Wages and salaries	3,326,091	3,222,493
Social security costs	252,137	244,753
Contribution to defined contribution pension schemes	51,324	39,585
	<u>3,629,552</u>	<u>3,506,831</u>

During the year there were termination payments for four employees totalling £26,735 (2018: one employee totalling £9,634) included within wages and salaries. As at December 2019, no amounts were due to the employee. The termination payments in 2019 were for ex gratia payments, by way of compensation for the termination of the employment.

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

	2019	2018
	No.	No.
Employees	181	181

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

	2019	2018
	No.	No.
In the band £60,001 - £70,000	1	-
In the band £70,001 - £80,000	1	1

The total salaries received by key management personnel was £266,563 (2018: £188,012). Employer pension contributions were a total of £6,798 (2018: £5,402) and employer national insurance contributions were a total of £29,952 (2018: £21,642).

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**Notes to the financial statements
for the year ended 31 December 2019**

11. Tangible fixed assets

	Freehold land and buildings £	Motor vehicles £	Fixtures and fittings £	Total £
Cost or valuation				
At 1 January 2019	6,235,877	117,744	1,212,364	7,565,985
Additions	25,318	7,495	47,944	80,757
Disposals	(450)	(6,500)	(6,719)	(13,669)
At 31 December 2019	<u>6,260,745</u>	<u>118,739</u>	<u>1,253,589</u>	<u>7,633,073</u>
Depreciation				
At 1 January 2019	1,411,161	88,346	797,760	2,297,267
Charge for the year	112,344	20,323	99,251	231,918
On disposals	-	(6,500)	(4,876)	(11,376)
At 31 December 2019	<u>1,523,505</u>	<u>102,169</u>	<u>892,135</u>	<u>2,517,809</u>
Net book value				
At 31 December 2019	<u>4,737,240</u>	<u>16,570</u>	<u>361,454</u>	<u>5,115,264</u>
At 31 December 2018	<u>4,824,716</u>	<u>29,398</u>	<u>414,604</u>	<u>5,268,718</u>

Included in land and buildings is freehold land at a valuation of £716,575 (2018: £716,575), which is not depreciated.

Cost or valuation at 31 December 2019 is as follows:

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

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Notes to the financial statements
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11. Tangible fixed assets (continued)

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

	2019 £	2018 £
Cost	6,056,610	6,031,639
Accumulated depreciation	(1,369,175)	(1,264,547)
	<u>4,687,435</u>	<u>4,767,092</u>

12. Debtors

	2019 £	2018 £
Trade debtors	288,594	395,072
Other debtors	15,652	8,250
Prepayments and accrued income	36,766	30,272
	<u>341,012</u>	<u>433,594</u>

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**Notes to the financial statements
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13. Creditors: Amounts falling due within one year

	2019 £	2018 £
Bank loans	92,347	100,309
Trade creditors	81,633	120,820
Other taxation and social security	57,744	64,613
Other creditors	106,749	21,577
Accruals and deferred income	37,470	16,319
	<u>375,943</u>	<u>323,638</u>

Deferred income

Deferred income as at 1 January 2019 is £5,647. There have been resources deferred during the year of £11,866. £5,647 has been released relating to deferred income in previous years. The deferred income as at 31 December 2019 is therefore £11,866.

Deferred income is in relation to fees received in advance.

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

	2019 £	2018 £
Barclays Mortgage	260,412	317,515
Charity Bank Loan 1	-	2,566
Charity Bank Loan 2	454,089	472,339
Charity Bank Loan 3	436,189	460,512
	<u>1,150,690</u>	<u>1,252,932</u>

Creditors include amounts not wholly repayable within five years as follows:

	2019 £	2018 £
Repayable by instalments	782,815	858,295
	<u>782,815</u>	<u>858,295</u>

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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 instalments until 2023 for £194,837 and until 2028 for the remaining £111,793. 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 three loans are repayable by way of the following:

Charity Bank loan 1 is repayable in instalments until 2020 and bears interest at a rate of 4.75%. The outstanding balance of this loan as at 31 December 2019 was £2,577.

Charity Bank loan 2 is repayable in instalments until 2033 and bears interest at a rate of 4.75%. The outstanding balance of this loan as at 31 December 2019 was £460,998.

Charity Bank loan 3 is repayable in instalments until 2037 and bears interest at a rate of 4.75%. The outstanding balance of this loan as at 31 December 2019 was £472,832.

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Notes to the financial statements
for the year ended 31 December 2019

15. Statement of funds

Statement of funds - current year

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

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Notes to the financial statements
for the year ended 31 December 2019

15. Statement of funds (continued)

Statement of funds - prior year

	Balance at 1 January 2018 £	Income £	Expenditure £	Transfers in/out £	Balance at 31 December 2018 £
Unrestricted funds					
Designated funds					
Designated fixed asset fund	2,780,832	-	-	316,455	3,097,287
Designated build fund	100,000	-	-	(100,000)	-
	<u>2,880,832</u>	<u>-</u>	<u>-</u>	<u>216,455</u>	<u>3,097,287</u>
General funds					
General Funds	767,303	5,002,608	(5,132,111)	(32,450)	605,350
Revaluation reserve	204,135	-	-	-	204,135
	<u>971,438</u>	<u>5,002,608</u>	<u>(5,132,111)</u>	<u>(32,450)</u>	<u>809,485</u>
Total Unrestricted funds	<u>3,852,270</u>	<u>5,002,608</u>	<u>(5,132,111)</u>	<u>184,005</u>	<u>3,906,772</u>
Restricted funds					
Frances House	230,001	-	-	-	230,001
Mary House	543,343	2,336	(18,769)	(163,089)	363,821
Martha House	1,049	29,400	(10,218)	-	20,231
Deal Water Garden	2,700	19,000	-	(21,700)	-
Specialist nurse training	1,793	-	(2,577)	784	-
	<u>778,886</u>	<u>50,736</u>	<u>(31,564)</u>	<u>(184,005)</u>	<u>614,053</u>
Total of funds	<u>4,631,156</u>	<u>5,053,344</u>	<u>(5,163,675)</u>	<u>-</u>	<u>4,520,825</u>

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Designated fixed asset fund

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

Designated build fund

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

Frances House

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

Mary House

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

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

Martha House

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

Deal Water Garden

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

Deal Staff Fund

This fund is for donations received towards staff entertainment.

Making Music Accessible

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

Carriage Riding

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

**Notes to the financial statements
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Core restricted

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

Specialist Nurse Fund

This fund represents donations for specialist nurses training.

Transfers

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

16. Summary of funds

Summary of funds - current year

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

Summary of funds - prior year

	Balance at 1 January 2018 £	Income £	Expenditure £	Transfers in/out £	Balance at 31 December 2018 £
Designated funds	2,880,832	-	-	216,455	3,097,287
General funds	971,438	5,002,608	(5,132,111)	(32,450)	809,485
Restricted funds	778,886	50,736	(31,564)	(184,005)	614,053
	<u>4,631,156</u>	<u>5,053,344</u>	<u>(5,163,675)</u>	<u>-</u>	<u>4,520,825</u>

**Notes to the financial statements
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17. Analysis of net assets between funds

Analysis of net assets between funds - current year

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

Analysis of net assets between funds - prior year

	Unrestricted funds 2018 £	Restricted funds 2018 £	Total funds 2018 £
Tangible fixed assets	4,654,665	614,053	5,268,718
Current assets	828,677	-	828,677
Creditors due within one year	(323,638)	-	(323,638)
Creditors due in more than one year	(1,252,932)	-	(1,252,932)
Total	3,906,772	614,053	4,520,825

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

	2019 £	2018 £
Net expenditure for the year (as per Statement of Financial Activities)	(156,007)	(110,331)
Adjustments for:		
Depreciation charges	231,918	233,621
Dividends, interests and rents from investments	51,774	54,678
Loss on the sale of fixed assets	250	1,591
Decrease in debtors	92,582	162,699
Increase/(decrease) in creditors	60,267	(55,596)
Net cash provided by operating activities	280,784	286,662

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**Notes to the financial statements
for the year ended 31 December 2019**

19. Analysis of cash and cash equivalents

	2019 £	2018 £
Cash in hand	435,175	395,083
Total cash and cash equivalents	435,175	395,083

20. Analysis of Net Debt

	At 1 January 2019 £	Cash flows £	At 31 December 2019 £
Cash at bank and in hand	395,083	40,092	435,175
Debt due after 1 year	(320,081)	102,242	(217,839)
Debt due within 1 year	(100,309)	7,962	(92,347)
Finance leases	(460,512)	-	(460,512)
	(485,819)	150,296	(335,523)

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 £51,324 (2018: £39,585). Contributions totaling £11,124 (2018: £7,748) were payable to the fund at the balance sheet date and are included in creditors.

22. Operating lease commitments

At 31 December 2019 the Charity had commitments to make future minimum lease payments under non-cancellable operating leases as follows:

	2019 £	2018 £
Not later than 1 year	23,891	22,163
Later than 1 year and not later than 5 years	66,663	82,777
	90,554	104,940

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Notes to the financial statements for the year ended 31 December 2019

23. Related party transactions

During the year ended 31 December 2019 donations totalling £1,546 (2018: £4,564) were received from Trustees.

24. Post balance sheet events

At the time of signing the financial statements the trustees are aware of the potential economic effects of the Covid-19 virus outbreak. The full impact of the pandemic on the UK economy is yet to be seen, but the charity will continue to mitigate this risk by following the UK Government guidelines and adapting/developing its own internal strategy. Otherwise, there have been no significant events affecting the charity since the year end.

25. Controlling party

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