

Registered number: 03467406
Charity number: 1067885

Martha Trust
(A company limited by guarantee)

Trustees' report and financial statements

For the year ended 31 December 2021

Martha Trust
(A company limited by guarantee)

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Reference and administrative details of the Charity, its Trustees and advisers
For the year ended 31 December 2021

Trustees	Humphrey Clarke, Chairman Georgina Hovey Richard Pitt (appointed 6 January 2022) Rebecca Pryse John Quin Amy Rosie Robert Sparkes Roger Walton
Company registered number	03467406
Charity registered number	1067885
Registered office	Homemead Lane Hacklinge Deal Kent CT14 0PG
Senior management team	George White, CEO (retired 1 November 2021) Julie Gayler, Deputy CEO, CEO from 1 November 2021 Natalia Olszewska, Director of Finance and Resources Owen Nolan, Senior Registered Home Manager and Learning Disability Lead Claire Doe, Associate Director of People and Culture Alice Moir, Associate Director - Fundraising and Marketing
Company secretary	Natalia Olszewska
Chief executive officer	Julie Gayler
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

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Chairman's statement
For the year ended 31 December 2021

The chairman presents his statement for the year.

Throughout the first year of the pandemic we hoped that 2021 would be a year when everything went back to normal and our focus could return to ensuring residents lives could be lived as fully as possible with fewer restrictions. Following the first months of lockdowns, 2021 saw a partial return to normality, and a sense of relief was felt by all. As frontline carers supporting adults with profound and multiple disabilities, we had been fortunate to be first in line to receive vaccinations and boosters, both of which were mostly enthusiastically received. Unfortunately, as the year progressed, further variants of Covid brought in more uncertainty and renewed concerns for the health of our residents and staff. The teams across the organisation were therefore, again, primarily focused on reacting to the changes required to balance the safety of all at Martha with the need to enable life to be lived to its fullest.

Nationally there has been a recognised 'crisis' in the social care sector in terms of staff vacancy levels, with Skills for Care quoting more than 105,000 roles available on average each day in 2020/21. Previously I have spoken about the high retention rate we have achieved at Martha, and the work we do to ensure our culture is one which retains our staff through appreciation, support and values. 2021 was a challenge in terms of staff recruitment and retention, and we did see our care team numbers reduce for a variety of reasons, including several long standing employees who chose to retire and a few who did not wish to be vaccinated against Covid 19. However, with the strong foundations already in place we did manage to continue to attract new employees and maintain a turnover lower than the industry standard. Whilst it is important to recognise that throughout 2021 we saw our staffing numbers dropping month by month due to care staff leaving, the management team worked tirelessly and as a result recruitment did not halt altogether. We were delighted to welcome thirty five new and also returning people into the team over the course of the year.

One positive outcome of the pandemic continues to be stronger, collaborative working relationships with our residents' families. Thanks to the wonders of modern technology, we were able to hold two virtual Family Forums, which have never been so well attended and enabled families from both Martha locations to meet as one. Our Family Representative Group met regularly with the management team, ensuring that current Covid policies were discussed and communicated effectively.

2021 has been a year of reflection in relation to equity, diversity and inclusion (EDI). Based in Kent and East Sussex, our teams are perhaps not as diverse as those based in London, but we have been looking at how we are able to attract and welcome all to our Martha community. This has seen us take a new approach, considering the possibility of adjustments and adaptations at interview and going on to support people within our teams who may have otherwise struggled. The employment of a young gentleman with a learning disability in Mary House who has been supported by his job coach as part of an external scheme, has been a real success story and shown what we can achieve when we open ourselves up to the possibilities and challenge ourselves on how we work, make decisions and develop new ideas. He has proved to be a popular and effective member of the team, who brings joy to the shifts, not just a tick in a box for EDI.

We continued to challenge funding authorities for appropriate fee levels to meet the needs of residents. Whilst we had some successes this was offset by rising costs, specifically related to the increase in the minimum wage. The latter part of 2021 saw unusually high inflation, putting additional pressure on the management of Martha's finances to deliver the exceptional level of service we strive to achieve.

October saw the start of a new era at Martha Trust with George White stepping down as CEO after ten years of loyal service, having led Martha forward into the strong position it is now. He hands the reins over to his Deputy CEO, Julie Gayler, who has the full backing and trust of the Board of Trustees. Julie joined Martha Trust in 2009 and developed the current values, mission and vision of Martha. I have every faith that under her leadership and example, Martha will continue to grow from strength to strength.

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Chairman's statement (continued)

For the year ended 31 December 2021

It has been another year in which our staff have risen to the challenges, working above and beyond what would normally be required. They have surpassed themselves once again, demonstrating their dedication, commitment and strength in ensuring the health and wellbeing of all residents. In doing so, they have shown extraordinary resilience and selflessness. The people we employ here at Martha are our biggest asset and we will continue to nurture them, knowing that in turn they will provide the best possible care for those we support, who remain at the heart of all we do. For this, as Trustees, we are forever grateful and we keep all our residents and staff in our prayers. We are truly grateful to our good Heavenly Father for looking after us in this time of trouble.



Humphrey Clarke

Chairman

Date: 18 August 2022

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Trustees' report
For the year ended 31 December 2021

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 2021. 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).

Public Benefit

a. Purpose

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

We achieve this by:

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

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

We achieve this by:

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

We believe 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, vision and values have been reviewed and updated during 2021 and are as follows:

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

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

Our Values are:

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

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

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Trustees' report (continued)
For the year ended 31 December 2021

b. Our strategic aims

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

c. Our strategic objectives for 2022-2024

Objectives supporting each Strategic Aim

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

The above objectives will be prioritised and developed into a 3 year plan in 2022. These will be set out in our 2022 Trustee Annual Report, with annual performance being measured against them in forthcoming reports.

d. Activities for achieving objectives

Martha Trust strives to be an organisation that adapts and evolves to reflect the changing values and principles within our society, whilst reacting to the changing needs of our residents, staff and stakeholders. We endeavour to proactively respond to external influences such as government policy and changing legislation, taking a long-term strategic approach. This approach is demonstrated by the development of Martha's Equity, Diversity and Inclusion (EDI) policy.

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

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Trustees' report (continued)
For the year ended 31 December 2021

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

Covid-19 Pandemic

The Covid-19 pandemic has continued to provide huge challenges for Martha Trust in terms of interpreting and implementing the very fluid changes to government guidance relating to infection, prevention and control. At the same time maintaining the safety of residents who are extremely high risk and managing the pressure on staffing numbers, due to fluctuating community infection levels, has for a second year drawn on the commitment, courage and stamina of the teams across Martha.

Whilst the pandemic has required the Senior and Home Management teams to focus on the day-to-day operation of the service and the widespread changes this has involved, their determination to continually improve performance across all areas of Martha has led to the delivery of a number of key organisational objectives set out for 2021.

Strategy

The Strategy Review Sub-Committee has continued to meet regularly to support the Senior Management Team in their aim to develop a three year strategy. It was agreed that the primary aim of the strategy was to enable Martha to remain viable and, if possible, to remain independent.

A range of financial metrics were therefore reviewed to better understand the financial pressures on Martha and how the organisation should respond to improve efficiency and thus financial viability. These included:

- Lessons from the past (last 5 years' financials)
- Fee levels (reflecting the needs of residents and the cost of meeting those needs)
- Lessons from Covid (positive changes which lead to cost savings)
- Services provision
- Resource sharing
- Investment in staff and recruitment (living wage, training, kickstart scheme, apprenticeships)
- Providing excellent care (continuous improvement plans to maintain/exceed "good" CQC rating at both locations)
- Mission, Vision and Values review

The Committee agreed that in order to develop a meaningful and focused strategy, the Mission, Vision and Value review was a priority. Once the review had been completed, new strategic aims and objectives were developed, as set out above. These were approved at the November 2021 Trustee Board Meeting.

The Senior Management Team will be developing a three-year plan to deliver the agreed objectives, to be presented to the Trustee Board in 2022.

Families

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

Virtual family forums continued during 2021, which were well attended and enabled family members from both Martha locations to interact, share views and experiences and develop their own support networks. Social media has proven to be invaluable in enabling families to keep in touch, with dedicated Facebook and WhatsApp platforms set up by the families.

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Trustees' report (continued)
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Parent Representative Meetings have continued to take place regularly via Zoom. This has facilitated open and transparent communication between the Representatives and the Martha management team, which has been vital during a year of ever-changing regulations and guidelines affecting residents and their family members. One of the many benefits of these from these meetings, has been that consistent communications to wider family members has been far easier to achieve.

The 2021 family feedback questionnaire was distributed to families, with 8 responses received. Although the response rate is a little disappointing, when we take into account the other mechanisms we have in place for families to express their views, which we know they utilise, it is less of a concern. Many of our families frequently attend the family forums and are encouraged to raise issues, concerns or positive feedback directly to the Home Managers as and when they need to as well as utilising the parent rep groups. The family questionnaire plays a part in the review of our care services but isn't to be used as a stand alone.

Those families who completed the questionnaire all rated Martha as good or excellent in all questions in the 'Overall' section with all saying that they would recommend Martha. This is the third consecutive year that we have had a unanimous positive response to this section of our questionnaire. It is also worth highlighting that all responders to the 2021 survey answered excellent to 'being made to feel welcome' in the homes and 'feeling able to raise a concern if they had to.'

Operations

Whilst Covid-19 continued to present daily challenges throughout a second year, much of the operational learning from managing the service, gained during the pandemic in 2020, delivered efficiencies that enabled the organisation to still make considerable progress with many of its objectives.

The new Care Improvement Committee, formed with Trustee involvement in May 2021, aims to further improve our service and demonstrate how we are improving the lives of our residents through a long-term care strategy. Positive progress was made by the Committee during 2021 on the priority areas of resident care reviews and medication.

Our Quality assurance framework continues to evolve and improve, with the electronic care plan system, PCS, fully embedded. This technology streamlines the process of recording daily care and the review of risk assessments and resident needs. An electronic Medication Administration Record (MAR) will be trialled on the Deal site in early 2022, which will be integrated with PCS and provide a safe, efficient system proven to reduce medication errors.

All new and updated care and HR related policies are reviewed at six-weekly Clinical Governance Meeting and ratified at the weekly SMT meetings.

Continuous Improvement Plans (CIP) form the basis of improving the quality of the services we offer. Each site has a CIP based on the CQC Key Lines of Enquiry standards. CIPs have been regularly updated during the year to include areas of improvement highlighted in stakeholder questionnaire responses and audits. Focus is placed on areas rated as Good by CQC at the last inspections, with a view to achieving Outstanding. This rolling plan ensures we can react quickly to areas of concern or innovative ideas, put more robust governance in place and evidence our ethos of being a learning organisation.

The activities team at both Martha locations have been restructured, with specific responsibilities assigned to designated leads for person-centred activity plans, communication and physiotherapy programmes. PCS provides the platform for recording evidence of activities and review of individual plans due to any changes in need. Since the introduction of the Eye Gaze technology in all homes, communication programmes for residents who are able to take part have been further developed and a successful fundraising campaign has enabled the purchase of more Eye Gaze units. We continue to explore opportunities offered by new technology which can enable all residents to communicate more effectively and express themselves.

Development of the Martha Trust GDPR policy is an ongoing project, with progress being slowed by the Covid pandemic. In 2022 the focus will be on updating processes relating to Martha's care services and HR processes to ensure continued compliance with the latest regulations.

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

Our People

The success of our People Plan in 2020 meant that we started 2021 in a strong position in terms of staffing numbers due to good retention and recruitment levels. Despite the best efforts of the teams, this success did not continue through the remainder of the year and we saw people move on with some leaving the care sector altogether, others moving to new opportunities in other settings or to nurse training, and a number of long standing employees choosing this year to start their retirement. Efforts to review the recruitment strategy saw an increase in the use of social media, and a timetable to ensure adverts are refreshed on an ongoing basis to keep them interesting and higher on the job sites. Bright banners depicting a rainbow and 'Hero's work here' were erected outside both homes. Whilst recruitment of staff continues to be challenging, this reflected the national shortage of people willing to work in the care sector. In total, 35 new people were welcomed into the teams across the organisation. Whilst the turnover rate has decreased slightly from 30.12% in 2020 to 29.68% in 2021, and still sits lower than the national average of 34.4% (as quoted by the Skills for Care report 'The state of the adult social care sector and workforce in England' published in October 2021). There is still work to do, to ensure that that staffing levels are sufficient to provide the level of care required to deliver excellent standards of care.

Ongoing gestures of appreciation remain important in ensuring all who work at Martha feel valued and seen. Easter Eggs and a gift voucher to help with the costs of Easter were distributed, and regular treats continued on a weekly basis, with Mary House choosing to use their budget to hold a weekly 'treat raffle' in which a whole shift has the opportunity to order in a takeaway delivered to the home. At Christmas, families once again generously donated to provide all staff with a £20 Tesco voucher as a Thank you specifically from them. This year, messages from the families were included in the cards containing the vouchers, enabling families to make the gift really special and remind everyone of their purpose. Both sites enjoyed the Christmas boxes provided, as well as home cooked Christmas dinners prepared by the kitchen teams.

A new strategic group of Trustees and members of the SMT formed to specifically look at remuneration and make recommendations to the Audit and Finance Committee. This committee considered the ongoing challenges facing Martha in terms of recruitment and retention and were able to recommend increases to hourly rates introduced from January 2022 as well as a one off 'Covid Thank You' bonus to all staff which was paid in their December pay in time for Christmas. The response from employees was overwhelmingly positive and grateful.

In 2020 a 'Working Improvement Group' was created with a plan of utilising 2021 to review shift times and patterns. As work commenced, and the increasing challenges around recruitment and retention became clear, the group identified the need for this work to be completed with caution and sensitivity so as not to alarm the current staffing team, many of whom have flexible working agreements in place to balance their work and home commitments. As a result, this project will slowly continue in 2022 with the group working to better understand the working of each shift and the needs of the residents before making any recommendations for change. Staff input and communication will be key in ensuring any proposed changes are a success.

The importance of Equity, Diversity and Inclusion (EDI) was recognised this year, as a way of ensuring that Martha continues to grow and adapt to our changing societies. The inclusion of all people is vital to staying true to our values as well as another means to support recruitment and retention objectives. In 2021 a project was started, looking for the right person to support and guide us in our EDI journey. Fortunately, the opportunity arose to meet Mike Clarke, an experienced and talented voice on EDI with strong Christian values. In 2022 this project will move forward, gaining voices from within the staff team and looking at our current position to be able to develop our approach and our strategy. In advance of the completion of this work the wording of adverts has been updated and changes have already been seen in the attitudes of the management teams who have looked for ways in which we can support those who may have obstacles in their way, but are values-driven and committed to working at Martha. On both sites people have been supported with small adjustments made, which have enabled people to thrive and be valuable members of the team.

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Trustees' report (continued)

For the year ended 31 December 2021

Clear and regular communication with our staff remains a vital way of ensuring people feel connected and valued. Email has continued to be the best form of sharing changes and updates to guidance, and to share good news with everyone. House meetings have been held, and the opportunity for people to join by zoom encouraged to improve attendance. The lifting of restrictions led to more opportunities for management teams to be more visible in the homes without putting anyone at risk, and Head Office teams held a team building day at Deal in the autumn in which the surrounding gardens were tidied and plants added to create more colour and interest. Further team building days will be held at both sites next year following the success of this initial trial and the positive impacts seen.

This year, the staff questionnaire was split into two, with the standard questions being asked and a separate questionnaire requesting feedback on the organisational response to Covid-19 and how staff felt in terms of support and guidance. Overall the response was very positive with an increase across the organisation of employees feeling that Martha is a good place to work, that they can trust their manager and that Martha treats people fairly.

The 'Everyone matters survey – Covid Response' fed back that 80% of employees felt communication during Covid was good or excellent, and that PPE provision was also good or excellent. Comments highlighted how teams had pulled together and become closer during the pandemic but also identified how people felt their workloads had increased as a result of Covid.

As a result of the questionnaire feedback, work to support mental health and wellbeing was increased, with webinars to learn about mindfulness or stress management shared with teams and a leaflet containing signposts to access support created for each site, enabling managers to be able to give these to employees. Communications, ensuring the most up to date guidance was shared with teams, continued. Both sites were encouraged to hold 'theme days' as a way of lifting spirits of all at Martha and we saw successful days on both sites with Deal choosing a 'Grease' theme and Mary House a 'Disney Day'. Following the success of these events for both staff and residents, we hope to see more themed days in 2022.

The mixture of face to face and online training courses continued to be of benefit with the ongoing changes in terms of Covid-19 guidance and the ability to safely have groups of people in a room together. However, with higher absence levels the biggest challenge was releasing people from shifts to attend the training. This has led to smaller groups attending, resulting in lower value for money from the sessions and making it more difficult to ensure that all our staff had received training within the prescribed period. Focus was therefore aimed at higher risk area courses such as core requirements in manual handling, safeguarding and infection control. In 2022 the amount of training on each rota will be increased to ensure that training gaps are addressed as quickly as possible. The planned refresher training for Safeguarding Champions, Designated Leads and Trainers will also roll into 2022 due to the need to maximise the impact of the time available for training.

Work continued on the re-implementation of the Care Certificate. Following feedback from employees who previously completed this training, we worked with our trusted training company to write a face to face Care Certificate programme tailored more towards supporting Learning Disability in a care setting. Skills for Care have provided modules to enable the Care Certificate to accommodate various settings, rather than only focusing on elderly care. On both sites, a member of the management team attended the training to enable them to act as an assessor for Martha, signing off written elements as well as observations.

In early 2022 the sessions will start with the plan being to split the Care Certificate into two manageable sessions. A full day of face to face training will take trainees through the first half of the workbook with people then having a minimum of a month to complete the written work and observations. The second session will complete the supported learning and trainees will have a further eight weeks to get their workbooks signed off. Assessors will sign off workbooks and issue certificates upon completion.

The Deal site has trialled a new approach to supporting employees through their NVQs. A new provider with specialist knowledge of the client group was found, and an assessor with a nursing background in learning disabilities allocated to Martha Trust. Rather than rely on managers to put forward those who had expressed an interest in supervision, the whole staff team were invited to apply for a place on the training programme with limited spaces available. The group of five Support Workers enrolled on to their learning in August with the plan to roll out the same in Mary House in early 2022.

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Trustees' report (continued)
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Work started on reviewing the induction people receive when joining the team. The staff handbook was rewritten in clearer language, and all policies condensed into a more readable and accessible format. In 2022 further work will be completed to ensure new starters have the best possible introduction to the work we do, enabling them to succeed and enjoy their roles.

Finally, we saw a number of changes in the senior leadership team. From October 2021, Julie Gayler took the place of George White as CEO. With her years of experience at Martha and clear understanding of the values, mission and vision, we are very fortunate that Julie has been able to take the helm to guide Martha forward. George moves into a new role of 'Ambassador', enabling him to continue to support Martha through connections and networking. Further changes include Natalia Olszewska moving to become the Director of Finance and Resources, Claire Doe being promoted to Director of People and Culture, and Alice Moir promoted to Associate Director of Fundraising and Marketing.

Owen Nolan, who was Senior Registered Home Manager and Learning Disability Lead, took a short break from employment at Martha Trust, but will return to Martha in the New Year in a new role of Strategic Health and Social Care Lead.

Fundraising

When the planning and forecasting for 2021 took place in the Summer of 2020 we were hopeful that we would see the Covid-19 pandemic come to an end by the start of the new year. And that come 2021 we would see life return to some sort of normality and as such our traditional fundraising programme could be delivered.

Sadly as we went into 2021 the pandemic very much remained and with lockdowns continuing and social distancing rules in place for the first half of the year that saw many of our face-to-face fundraising opportunities and events impacted.

Our fundraising team were quick to react and moved key fundraising activity to the second half of the year. They also identified new fundraising opportunities to help bridge income short falls from cancelled activity. This went some way to help make up the shortfall from the cancelled events at the beginning of 2021. As the year unfolded all our fundraising events were able to go ahead with one exception, our annual car challenge – Monte Carlo Madness.

General income was slightly up on forecast, boosted by our lockdown fundraisers who took on a challenge of their own or got behind national campaigns such as 5K May and Sir Tom 100. In Memory giving continues to be a popular way to show support of Martha. We also saw an 8% uplift in our regular giving in 2021.

We continue to build on support from local businesses and nurture relationships, we continue to grow support through sponsorship of our events programme.

We were fortunate to receive the second half of a significant legacy in 2021 which boosted our unrestricted income.

Our profile in the local communities within which we work continues to grow and we are spreading awareness further into Kent and Sussex. We continue to build good foundations in the Hastings area with key community groups. Our social media strategy continues to gather momentum with our Facebook followers up 18.2% on 2020 and Twitter up 2%. We also launched our Instagram and LinkedIn accounts, both of which are generating lots of new followers. Our social media is a great tool in promoting our fundraising activity, support for Martha as well as raising awareness of profound disability.

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Trustees' report (continued)

For the year ended 31 December 2021

Our core grant income stream, which focuses on securing core funding support from trusts and foundations delivered almost to target – 97% of forecasted income. This is an area we hope to build on moving forward.

In 2021 we had a number of restricted projects for equipment and an adapted vehicle. All of which we managed to complete during the year. The greatest success was in response to our 'Communications for All' appeal which secured funding for four portable eye gaze units to support our communications work. With most of our residents non-verbal our communications programme has proved life changing, and our goal is to encourage every single resident to be able to make their own decisions and choices throughout the day, ranging from what they would like to wear that particular morning, what they would like to eat and drink and what activities they would like to do for the day.

We end the year with our fundraising team (equivalent of 2.6 f/t roles) working well and delivering good returns in spite of the challenges of fundraising during a pandemic.

Achievements and performance

a. Key financial performance indicators

Although Martha Trust had another challenging year due to Covid-19, its financial performance in 2021 was a further significant improvement on the two prior years. Total income was £6.35 million (2020: £5.71 million) and the surplus was £498,830 (2020: £273,939). A large part of this improvement was due to increases in fee income, which is unlikely to be repeated in 2022. Room occupancy increased to 98.6% compared to 97.6% in 2020. There were no vacancies at the end of 2021 although one did arise in January 2022.

We were pleased to conclude several fee negotiations that had been ongoing for some time, resulting in one-off increases. Martha Trust continues to experience the impact of the erosion of real terms fee values overall but for 2020 and for 2021, unlike recent prior years, funding authorities awarded increases for cost inflation although some were below the general level of inflation. We will continue to challenge funding authorities where fees have not kept pace with inflation and also ensure that we frequently review the change in needs of existing and new residents to confirm they are fully funded.

Covid had a significant impact on our finances in 2021. We lost £223k in projected income from events, respite and day care. In addition, our expenditure increased by an additional £41k on PPE alone and there were many more additional costs because of Covid that we are not able to quantify. However, we were fortunate to receive £142k in grants and additional Covid fees from our local authorities and £35k from the Government for furlough to help us through this difficult year.

Over the last five years, the minimum wage for over 21 year olds had risen 18.8%, from £7.50 per hour to £8.91 per hour. As an example, the fees from one of our main funding authority had only increased by 12.17% during the same period. Minimum wage is set to rise further to £9.50 in April 2022. The mismatch between increase in minimum wage and inflationary fee increases creates a significant gap in funding because approximately 70% of our costs are staff costs. In addition, the inflationary pressures in the wider economy in 2022 are expected to be exceptionally high, driving all of our other cost up by a percentage we currently cannot quantify.

Marketing of care services is still generating new care enquiries. We have further built on relationships with stakeholder authorities that resulted from marketing activity in recent years and we continue to engage with local funding authorities to enhance relationships with them. We now have a closer working relationship with authorities in Sussex and we continue to work with them to a greater extent than had been the case several years ago in respect of Mary House, Hastings.

Overall the level of new care enquiries in 2021 has been high. This is partly due to our profile being raised through marketing and partly due to a sustained and particularly high level of demand in a time of shrinking service provision in South East England.

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

Martha Trust
(A company limited by guarantee)

Trustees' report (continued)
For the year ended 31 December 2021

The year ended with the following results:

- Total income £6.35m (2020: £5.71m)
- Expenditure £5.85m (2020: £5.43m)
- Surplus £0.5m (2020: £0.3m)
- Percentage costs of management and administration 8.05% (2020: 8.82%)
- Occupancy 98.6% (2020: 97.6%)
- Balance Sheet total funds £5.1m (2020: £4.6m)

b. Review of activities

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

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

b. Financial risk management objectives and policies

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

c. Principal risks and uncertainties

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

Martha Trust
(A company limited by guarantee)

Trustees' report (continued)
For the year ended 31 December 2021

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

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

d. Principal funding

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

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

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

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

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

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

e. Material investments policy

We do not participate in material investments.

Martha Trust
(A company limited by guarantee)

Trustees' report (continued)
For the year ended 31 December 2021

Structure, governance and management

a. Constitution

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

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

b. Method of appointment or election of Trustees

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

c. Policies adopted for the induction and training of Trustees

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

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

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

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

d. Pay policy for senior staff

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

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

e. Organisational structure and decision making

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

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

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

Martha Trust

(A company limited by guarantee)

Trustees' report (continued)

For the year ended 31 December 2021

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

Each of the two Martha locations has a Registered Home Manager (RHM). The CEO currently holds the CQC registration for the Hastings site, with a Home Manager responsible for the operational management of the home.

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

f. Risk management

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

Plans for future periods

a. Future developments

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

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

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

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

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

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

Risk Policy

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

Trustees' report (continued)
For the year ended 31 December 2021

Reserves Policy

At 31 December 2021, the Trustees considered it appropriate to set free reserves held to equivalent of at least four and half months expected general expenditure for one home (four months in previous year), which is in the region of £700,000. The increase has been decided because of an expectation of a more challenging economic outlook in 2022. The free reserves at 31 December 2021 amounted to £1,015,219. The Trustees are satisfied with the level of reserves held due to the level of higher risks and uncertainty within the care sector at the current time. The Trustees will continue to review reserves on a regular basis, in accordance with the Charity Commission guidance.

Remuneration and social investment policy

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

Staff should be rewarded in relation to:

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

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

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

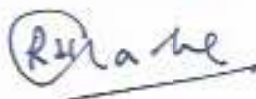
Trustee Declaration

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

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

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

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



Humphrey Clarke
(Chair of Trustees)

Date: 18 August 2022

Martha Trust**(A company limited by guarantee)****Statement of Trustees' responsibilities
For the year ended 31 December 2021**

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 2021 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 2021 and of its incoming resources and application of resources, including its income and expenditure for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

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

Conclusions relating to going concern

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

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

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

Martha Trust
(A company limited by guarantee)

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

Other information

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

We have nothing to report in this regard.

Opinion on other matters prescribed by the Companies Act 2006

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

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

Matters on which we are required to report by exception

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

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

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

Responsibilities of trustees

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

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

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

Auditors' responsibilities for the audit of the financial statements

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

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

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

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

Martha Trust
(A company limited by guarantee)

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

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

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

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

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

Martha Trust
(A company limited by guarantee)

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

Use of our report

This report is made solely to the charitable company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the charitable company's members those matters we are required to state to them in an Auditors' report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charitable company and its members, as a body, for our audit work, for this report, or for the opinions we have formed.

A handwritten signature in dark ink, appearing to read 'Kreston Reeves LLP'.

Samantha Rouse FCCA DChA (Senior statutory auditor)

for and on behalf of
Kreston Reeves LLP

Statutory Auditor
Chartered Accountants

Canterbury

18 August 2022

Martha Trust
(A company limited by guarantee)

Statement of financial activities (incorporating income and expenditure account)
For the year ended 31 December 2021

	Note	Unrestricted funds 2021 £	Restricted funds 2021 £	Total funds 2021 £	Total funds 2020 £
Income from:					
Donations and legacies	3	228,099	108,023	336,122	271,010
Charitable activities	4	5,914,051	105,827	6,019,878	5,434,632
Other income	5	(9,327)	-	(9,327)	776
Total income		6,132,823	213,850	6,346,673	5,706,418
Expenditure on:					
Raising funds	6	126,626	-	126,626	111,841
Charitable activities	7	5,588,013	133,204	5,721,217	5,320,638
Total expenditure		5,714,639	133,204	5,847,843	5,432,479
Net movement in funds		418,184	80,646	498,830	273,939
Reconciliation of funds:					
Total funds brought forward		3,961,362	677,395	4,638,757	4,364,818
Net movement in funds		418,184	80,646	498,830	273,939
Total funds carried forward		4,379,546	758,041	5,137,587	4,638,757

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

The notes on pages 26 to 45 form part of these financial statements.

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

Balance sheet
As at 31 December 2021

	Note	2021 £	2020 £
Fixed assets			
Tangible assets	11	4,908,387	4,949,890
		4,908,387	4,949,890
Current assets			
Debtors	12	538,140	518,732
Cash at bank and in hand		1,057,658	593,681
		1,595,798	1,112,413
Creditors: amounts falling due within one year	13	(535,537)	(390,577)
Net current assets		1,060,261	721,836
Total assets less current liabilities		5,968,648	5,671,726
Creditors: amounts falling due after more than one year	14	(831,061)	(1,032,969)
Total net assets		5,137,587	4,638,757
Charity funds			
Restricted funds	15	758,041	677,395
Unrestricted funds			
Designated funds	15	3,160,192	3,015,334
General funds	15	1,015,219	741,893
Revaluation reserve		204,135	204,135
Total unrestricted funds	15	4,379,546	3,961,362
Total funds		5,137,587	4,638,757

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

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



Humphrey Clarke
Chairman

Date: 18 August 2022

The notes on pages 26 to 45 form part of these financial statements.

Martha Trust
(A company limited by guarantee)

Statement of cash flows
For the year ended 31 December 2021

	Note	2021 £	2020 £
Cash flows from operating activities			
Net cash used in operating activities	18	880,724	364,388
Cash flows from investing activities			
Dividends, interests and rents from investments		(35,350)	(52,529)
Purchase of tangible fixed assets		(177,444)	(50,730)
Net cash used in investing activities		(212,794)	(103,259)
Cash flows from financing activities			
Repayments of borrowing		(203,953)	(102,623)
Net cash used in financing activities		(203,953)	(102,623)
Change in cash and cash equivalents in the year		463,977	158,506
Cash and cash equivalents at the beginning of the year		593,681	435,175
Cash and cash equivalents at the end of the year	19	1,057,658	593,681

The notes on pages 26 to 45 form part of these financial statements

Martha Trust
(A company limited by guarantee)

Notes to the financial statements
For the year ended 31 December 2021

1. General information

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

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

2. Accounting policies

2.1 Basis of preparation of financial statements

The financial statements have been prepared in accordance with the Charities SORP (FRS 102) - Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2019), the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) and the Companies Act 2006.

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

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

The charity's functional currency is Pounds Sterling.

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

2.2 Company status

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

2.3 Fund accounting

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

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

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

Martha Trust
(A company limited by guarantee)

Notes to the financial statements
For the year ended 31 December 2021

2. Accounting policies (continued)

2.4 Income

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

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

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

Donated services or facilities are recognised when the charity has control over the item, any conditions associated with the donated item have been met, the receipt of economic benefit from the use of the charity of the item is probable and that economic benefit can be measured reliably.

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

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

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

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

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2. Accounting policies (continued)

2.5 Expenditure

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

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

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

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

2.6 Going concern

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

2.7 Government grants

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

2.8 Tangible fixed assets and depreciation

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

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

Notes to the financial statements
For the year ended 31 December 2021

2. Accounting policies (continued)

2.8 Tangible fixed assets and depreciation (continued)

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

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

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

2.9 Interest receivable

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

2.10 Operating leases

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

2.11 Debtors

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

2.12 Cash at bank and in hand

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

2.13 Creditors and provisions

Creditors and provisions are recognised when the charity has a present obligation resulting from a past event that will probably result in a transfer of funds to a third party and the amount due to settle the obligation can be measured or estimated reliably. Creditors and provisions are normally recognised at their settlement amount after allowing for any trade discounts due.

2.14 Financial instruments

The charity only has financial assets and financial liabilities of a kind that qualify as basic financial instruments. Basic financial instruments are initially recognised at transaction value and subsequently measured at their settlement value with the exception of bank loans which are subsequently measured at amortised cost using the effective interest method.

Notes to the financial statements
For the year ended 31 December 2021

2. Accounting policies (continued)

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

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

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

The charity has recognised tangible fixed assets with a carrying value of £4,908,387 at the reporting date (see note 11). These assets are stated at their cost less provision for depreciation and impairment. The charity's accounting policy sets out the approach to calculating depreciation for immaterial assets acquired (see note 2.8). For material assets such as land and buildings the charity determines at acquisition reliable estimates for the useful life of the asset, its residual value and decommissioning costs. These estimates are based upon such factors as the expected use of the acquired asset and market conditions. At subsequent reporting dates the Trustees consider whether there are any factors such as technological advancements or changes in market conditions that indicate a need to reconsider the estimates used.

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

2.16 Finance leases and hire purchase

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

2.17 Pensions

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

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Notes to the financial statements
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3. Income from donations and legacies

	Unrestricted funds 2021 £	Restricted funds 2021 £	Total funds 2021 £	Total funds 2020 £
Donations	193,150	72,227	265,377	201,338
Grants - Covid-19	-	35,796	35,796	14,000
Government grants - Furlough	34,949	-	34,949	55,672
Total 2021	228,099	108,023	336,122	271,010
Total 2020	230,623	40,387	271,010	

4. Income from charitable activities

	Unrestricted funds 2021 £	Restricted funds 2021 £	Total funds 2021 £	Total funds 2020 £
Residential and day care fees	5,914,051	-	5,914,051	5,327,113
Covid-19 fees	-	105,827	105,827	107,519
Total 2021	5,914,051	105,827	6,019,878	5,434,632
Total 2020	5,327,113	107,519	5,434,632	

5. Other incoming resources

	Unrestricted funds 2021 £	Total funds 2021 £	Total funds 2020 £
Other	(9,327)	(9,327)	776
Total 2020	776	776	

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Notes to the financial statements
For the year ended 31 December 2021

6. Expenditure on raising funds

Costs of raising voluntary income

	Unrestricted funds 2021 £	Total funds 2021 £	Total funds 2020 £
Events and publicity costs	34,746	34,746	26,453
Legal and professional	1,896	1,896	1,459
General office costs	1,660	1,660	900
Maintenance/Utilities/Sundry	1,367	1,367	1,334
Salaries to generate income	86,957	86,957	81,695
Total 2021	<u>126,626</u>	<u>126,626</u>	<u>111,841</u>
Total 2020	<u>111,841</u>	<u>111,841</u>	

7. Analysis of expenditure on charitable activities

Summary by fund type

	Unrestricted funds 2021 £	Restricted funds 2021 £	Total funds 2021 £	Total funds 2020 £
Residential and day care costs	<u>5,588,013</u>	<u>133,204</u>	<u>5,721,217</u>	<u>5,320,638</u>
Total 2020	<u>5,247,058</u>	<u>73,580</u>	<u>5,320,638</u>	

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Notes to the financial statements
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8. Analysis of expenditure by activities

	Activities undertaken directly 2021 £	Support costs 2021 £	Total funds 2021 £	Total funds 2020 £
Residential and day care costs	5,250,294	470,923	5,721,217	5,320,638
Total 2020	4,841,421	479,217	5,320,638	

Analysis of direct costs

	Residential and day care 2021 £	Total funds 2021 £	Total funds 2020 £
Staff costs	3,579,005	3,579,005	3,351,793
Depreciation	189,932	189,932	192,370
Establishment costs	1,481,357	1,481,357	1,297,258
Total 2021	5,250,294	5,250,294	4,841,421
Total 2020	4,841,421	4,841,421	

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Notes to the financial statements
For the year ended 31 December 2021

8. Analysis of expenditure by activities (continued)

Analysis of support costs

	Residential and day care 2021 £	Total funds 2021 £	Total funds 2020 £
Wages and salaries	389,921	389,921	374,823
Depreciation	18,353	18,353	21,297
Establishment costs	-	-	327
Travel and subsistence	3,675	3,675	2,468
Insurance	2,121	2,121	1,813
Maintenance, cleaning and repairs	13,913	13,913	16,481
Print, post and stationery	1,532	1,532	1,685
Telephone and fax	1,106	1,106	1,239
Operating lease rentals and equipment	1,527	1,527	8,427
Staff training	1,731	1,731	7,989
General expenses	1,193	1,193	1,432
Bank charges and interest	2,049	2,049	1,988
IT Costs	4,866	4,866	6,872
Legal and professional fees	19,484	19,484	23,290
Publicity and communications	1,052	1,052	686
Governance costs	8,400	8,400	8,400
Total 2021	470,923	470,923	479,217

9. Net income/(expenditure)

This is stated after charging:

	2021 £	2020 £
Depreciation of tangible fixed assets:	200,346	213,667
- owned by the charity		
Auditors' remuneration - audit	8,400	8,400
Operating lease rentals	1,527	8,427

During the year, no Trustees received any remuneration (2020: £NIL).

During the year, no Trustees received any benefits in kind (2020: £NIL).

Two Trustees received reimbursement of travel expenses totalling £1,236 in the current year, (2020: £NIL).

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Notes to the financial statements
For the year ended 31 December 2021

10. Staff costs

	2021	2020
	£	£
Wages and salaries	3,688,192	3,470,013
Social security costs	305,767	282,233
Contribution to defined contribution pension schemes	61,924	56,065
	4,055,883	3,808,311

During the year there were termination payments for one employee totaling £1,620 (2020: two employees totaling £6,608) included within wages and salaries. As at December 2021, no amounts were due to the employee. The termination payments in 2021 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:

	2021	2020
	No.	No.
Employees	176	173

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

	2021	2020
	No.	No.
In the band £60,001 - £70,000	-	1
In the band £70,001 - £80,000	2	1

The total salaries received by key management personnel was £333,052 (2020: £305,882). Employer pension contributions were a total of £8,929 (2020: £8,643) and employer national insurance contributions were a total of £43,763 (2020: £35,131).

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Notes to the financial statements
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11. Tangible fixed assets

	Freehold property £	Motor vehicles £	Fixtures and fittings £	Total £
Cost or valuation				
At 1 January 2021	6,260,745	118,739	1,272,286	7,651,770
Additions	-	8,218	169,226	177,444
Disposals	-	(7,495)	(73,009)	(80,504)
At 31 December 2021	6,260,745	119,462	1,368,503	7,748,710
Depreciation				
At 1 January 2021	1,636,008	110,217	955,655	2,701,880
Charge for the year	115,557	4,998	79,791	200,346
On disposals	-	(3,997)	(57,906)	(61,903)
At 31 December 2021	1,751,565	111,218	977,540	2,840,323
Net book value				
At 31 December 2021	4,509,180	8,244	390,963	4,908,387
At 31 December 2020	4,624,737	8,522	316,631	4,949,890

Included in land and buildings is freehold land at a valuation of £716,575 (2020: £716,575), which is not depreciated.

Cost or valuation at 31 December 2021 is as follows:

	2021 £
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:

	2021 £	2020 £
Cost	6,056,610	6,056,610
Accumulated depreciation	(1,581,802)	(1,473,961)
	<u>4,474,808</u>	<u>4,582,649</u>

12. Debtors

	2021 £	2020 £
Trade debtors	468,394	428,621
Other debtors	13,013	12,422
Prepayments and accrued income	56,733	77,689
	<u>538,140</u>	<u>518,732</u>

13. Creditors: Amounts falling due within one year

	2021 £	2020 £
Barclays Mortgage	58,435	58,128
Charity Bank Loan 2	29,342	27,843
Charity Bank Loan 3	17,623	21,474
Trade creditors	68,713	60,327
Other taxation and social security	92,287	69,667
Other creditors	47,243	39,848
Accruals and deferred income	221,894	113,290
	<u>535,537</u>	<u>390,577</u>

Deferred income

Deferred income as at 1 January 2021 is £24,142. There have been resources deferred during the year of £22,382. £24,142 has been released relating to deferred income in previous years. The deferred income as at 31 December 2021 is therefore £22,382.

Deferred income is in relation to fees received in advance.

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Notes to the financial statements
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14. Creditors: Amounts falling due after more than one year

	2021 £	2020 £
Barclays Mortgage	135,138	191,480
Charity Bank Loan 2	378,934	432,894
Charity Bank Loan 3	316,989	408,595
	<u>831,061</u>	<u>1,032,969</u>

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

	2021 £	2020 £
Repayable by installments	523,794	678,038
	<u>523,794</u>	<u>678,038</u>

The Barclays Mortgage is secured by way of a charge over the charity's land and buildings at Martha House. The mortgage is repayable in installments until 2023 for £43,827 and until 2028 for the remaining £149,746. During the year, the mortgage bore interest at a flexible rate of 1% over the Barclays Base Rate.

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

Charity Bank loan 2 is repayable in installments until 2033 and bears interest at a rate of 4.4%. The outstanding balance of this loan as at 31 December 2021 was £408,276.

Charity Bank loan 3 is repayable in installments until 2037 and bears interest at a rate of 4.4%. The outstanding balance of this loan as at 31 December 2021 was £334,612.

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Notes to the financial statements
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15. Statement of funds

Statement of funds - current year

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

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Notes to the financial statements
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15. Statement of funds (continued)

Statement of funds - prior year

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

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Notes to the financial statements
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15. Statement of funds (continued)

Designated fixed asset fund

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

Designated build fund

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

Frances House

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

Mary House

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

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

Martha House

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

Deal Water Garden

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

Deal Staff Fund

This fund is for donations received towards staff entertainment.

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.

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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.

Masonic Lodge Beds

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

Staff Christmas Fund

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

COVID Funds

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

Dave Poke Memorial Fund

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

Mary House Vehicle

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

Bladder Scanner

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

Communications for All

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

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.

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16. Summary of funds

Summary of funds - current year

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

Summary of funds - prior year

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

17. Analysis of net assets between funds

Analysis of net assets between funds - current year

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

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17. Analysis of net assets between funds (continued)

Analysis of net assets between funds - prior year

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

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

	2021 £	2020 £
Net income for the year (as per Statement of Financial Activities)	498,830	273,939
Adjustments for:		
Depreciation charges	200,346	213,667
Dividends, interests and rents from investments	35,350	52,529
Loss on the sale of fixed assets	18,601	2,437
Increase in debtors	(19,408)	(177,720)
Increase/(decrease) in creditors	147,005	(464)
Net cash provided by operating activities	880,724	364,388

19. Analysis of cash and cash equivalents

	2021 £	2020 £
Cash in hand	1,057,658	593,681
Total cash and cash equivalents	1,057,658	593,681

Martha Trust
(A company limited by guarantee)

Notes to the financial statements
For the year ended 31 December 2021

20. Analysis of changes in net debt

	At 1 January 2021 £	Cash flows £	At 31 December 2021 £
Cash at bank and in hand	593,681	463,977	1,057,658
Debt due within 1 year	(58,128)	2,045	(56,083)
Debt due after 1 year	(191,480)	201,908	10,428
Finance leases	(436,438)	-	(436,438)
	<u>(92,365)</u>	<u>667,930</u>	<u>575,565</u>

21. Pension commitments

The charity operates a defined contribution pension scheme. The assets of the scheme are held separately from those of the group in an independently administered fund. The pension cost charge represents contributions payable by the group to the fund and amounted to £61,924 (2020: £56,065). Contributions totaling £15,150 (2020: £10,515) were payable to the fund at the balance sheet date and are included in creditors.

22. Operating lease commitments

At 31 December 2021 the Charity had commitments to make future minimum lease payments under non-cancellable operating leases as follows:

	2021 £	2020 £
Not later than 1 year	36,057	23,027
Later than 1 year and not later than 5 years	64,112	40,252
Later than 5 years	8,525	-
	<u>108,694</u>	<u>63,279</u>

23. Related party transactions

During the year ended 31 December 2021 donations totaling £186 (2020: £755) were received from Trustees.

24. Controlling party

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