

# Trustees' Report

including Strategic Report  
and Consolidated Accounts

Year ended 31 March 2023



# The Martlets Hospice Limited



## Financial Statements

For the year ended 31 March 2023

**Company Number: 02326410 (England & Wales)**  
**Charity Number: 802145**

# THE MARTLETS HOSPICE LIMITED

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# THE MARTLETS HOSPICE LIMITED

## LEGAL AND ADMINISTRATIVE INFORMATION

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<b>Directors and Trustees</b>	<b>Committee</b>
Mark Bayliss	1,2
Michael Bedingfield	4
Karen Blatchford	4
Rebecca Crook	1,2,3
Bec Davison	5
Barry Egan, <i>Vice Chair</i>	5
Helen Greany	1
Giles Ings	1,6
David Quinton	4,6
Juliet Smith, <i>Chair</i>	
Jake Standing, <i>Treasurer</i>	3
Duncan Stewart	2
Christopher Thomas, <i>Secretary</i>	1,3

### **Committees**

Martlets Building Enhancement Project	1
Clinical Governance	2
Finance and ICT (Information, Communication and Technology)	3
Income Generation, Trading and Martlets Care	4
People Services and Remuneration	5
Safety, Health, Fire and Facilities Governance	6

### **Leadership Team**

Claire Irving, Chief Executive Officer		All
Simone Ali, Medical Director		2
Bobby Dhol, Director of Finance and Support Services	<i>Resigned June 2022</i>	1,3,4,6
Michael Barford, Director of Finance and ICT	<i>Appointed June 2022</i>	1,3,4,6
Fiona Mulliner, Director of Income Generation	<i>Resigned November 2022</i>	1,3,4,6
Tanya Hunt, Director of Income Generation	<i>Appointed June 2023</i>	1,3,4,6
Sharon Howes, Director of People Services	<i>Resigned August 2022</i>	5
Mandy Piper-Killick, Director of People Services	<i>Appointed April 2023</i>	5
Karen Taylor, Director of Clinical Services	<i>Resigned June 2023</i>	2
Gill Brooks, Director of Quality and Improvement	<i>Appointed March 2023</i>	2

<b>Charity Number</b>	802145	<b>Company Number</b>	02326410
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### **Principal Address and Registered Office**

The Martlets Hospice Limited  
Wayfield Avenue  
Hove  
East Sussex  
BN3 7LW

### **Auditors**

Moore Kingston Smith LLP  
Betchworth House  
57-65 Station Road  
Redhill, Surrey  
RH1 1DL

### **Lead Banking Partner**

Barclays Bank PLC  
139/142 North Street  
Brighton  
East Sussex  
BN1 1RU

### **Discretionary Fund Manager**

Rathbone Brothers PLC  
1 Curzon Street  
London  
W1J 5FB

# **THE MARTLETS HOSPICE LIMITED**

## **TRUSTEES' REPORT, INCORPORATING THE STRATEGIC REPORT FOR THE YEAR ENDED 31 MARCH 2023**

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### **Introduction**

The Trustees and Directors of The Martlets Hospice Limited present their Annual Report, including the Directors' Report and Strategic Report, for the year ended 31 March 2023 together with the Consolidated Accounts for the Charity and its subsidiaries.

The accounts comply with the requirements of the Companies Act 2006, the Charities Act 2011, the Memorandum and Articles of Association and Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2015).

### **The Martlets Hospice Limited**

The Martlets Hospice Limited (Martlets, the Hospice, the Charity, the Company) is constituted as a company limited by guarantee and governed by its Memorandum and Articles of Association. In April 1997, a purpose-built, 18-bed Hospice opened, ready to care for people in and around the Brighton and Hove community. It brought together three charities: Coppercliff Hospice, the Turner Home and the Macmillan Day Services. This report covers the period April 2022 to March 2023.

### **Objectives of the Charity and Principal Activities and Organisation of our Work**

As a Charity, we provide people affected by terminal illness in Brighton and Hove and neighbouring areas with the very best care and support. We help people do the things they love with the time they have. Our life-changing hospice care gives people living with terminal illness hope, purpose, and possibility. We continue to extend our reach to help as many people in our community as possible, ensuring that patients, family, and friends have access to our services. Our work is made possible only by the generosity of our supporters. The Charity achieves these objectives by:

- a) providing care which is free at the point of delivery to adults with serious and life-threatening illness;
- b) operating a service at one's home that takes specialist palliative care professionals, including medical consultants, clinical nurse specialists and hands-on care professionals, into the homes of patients;
- c) operating a service at one's home that takes skilled, hands-on hospice care into the homes of patients;
- d) operating a respite service that supports the carers of patients;
- e) providing a bereavement service for relatives and carers;
- f) providing a range of day services for patients and carers to support their health and well-being; and
- g) working in partnership with the NHS, charities, and organisations to extend and maximise reach and impact.

The Trustees confirm that they have referred to the guidance contained in the Charity Commission's general guidance on public benefit when reviewing the Charity's aims and objectives and in the planning of future activities.

# THE MARTLETS HOSPICE LIMITED

## TRUSTEES' REPORT, INCORPORATING THE STRATEGIC REPORT FOR THE YEAR ENDED 31 MARCH 2023

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### COVID-19

The impact of COVID-19 on Martlets' operational and financial performance during 2022-23 was much less significant than in prior periods. Most measures implemented to provide safety and stability in operations and service provision remained in place until June 2022. Protocols to deal with infection risk and outbreak were maintained and updated to protect the health and wellbeing of patients, staff, volunteers and the wider community. While all our services returned to more normal operations, albeit with different aspects to delivery after the impact of the pandemic and during our hospice rebuild, they were affected by increased sickness absence as a result of covid and its effect on clinical operations.

#### Financial Assistance

Martlets benefited from a small residual amount of COVID-19 grant funding during 2022-23, amounting to around £30k for the year.

### Service Delivery

#### Inpatient Services

During 2022-23, the inpatient unit cared for a total of 147 patients, some of whom had multiple admissions. This was a reduction of 23% on the prior year and was a consequence of a temporarily reduced number of beds (an unfortunate but necessary consequence of our rebuild work) and the impact of covid on operational staffing levels. The average occupancy of the inpatient unit was 70%, which is 22% higher than last year and not far off the long-term average of 74%. Of the patients cared for on the inpatient unit, non-cancer diagnosis remained at 25%, consistent with last three years.

#### Community Services

The Community Team consists of a multi-disciplinary team of Clinical Nurse Specialists, Hospice at Home team, doctors and other health and social care professionals including social workers, occupational therapists, a chaplain, and counsellors, as well as a range of volunteers providing services to patients and their families in the community as part of the wider Community Service. A total of 1,914 patients and carers were supported and cared for by Community Services in the year 2022-23. This has been a drop of 1% on the prior year. Aside from the pandemic year however, this value is consistent with previous periods.

A total of 6,436 face-to-face visits were made to 896 individual patients, a decrease over last year. This follows the change in contact preference for patients since the pandemic who are instead supported by remote consultations and a significant increase in telephone support. Telephone services continue to offer advice and support to patients, carers and health and social care professionals 24 hours a day, seven days a week.

#### Outpatient Services

Within the year, 881 individuals accessed these services, an increase of 47%, facilitated by continued use of tools to provide services remotely. This is also marked by a reduction in the number of Wellbeing telephone calls, made to support people at home, that rose significantly during and following 2020-2021.

#### Counselling and Bereavement Services

The bereavement service offers one-to-one counselling with qualified counsellors and one-to-one support from trained bereavement volunteers. Counselling sessions are offered on all days except Sundays and the service is available in the evenings as well as during the daytime. The number of bereavement counselling sessions was reduced in the 2022-2023 period. Whilst we off-sited to allow redevelopment of the hospice, we were not able to make use of our brilliant bereavement volunteers due to lack of private space and this is reflected in the reduced number of sessions held.

#### Building a new Inpatient Unit

The board approved final plans for the hospice rebuild and modernisation project in March 2022 and in June 2022 the site closed, and construction work began. Leases on three new sites to provide temporary inpatient, clinical and support staff accommodation were completed at the time. The project completed in September 2023 according to plan and the transition from temporary sites back to the hospice is ongoing during October and November 2023.

# THE MARTLETS HOSPICE LIMITED

## TRUSTEES' REPORT, INCORPORATING THE STRATEGIC REPORT FOR THE YEAR ENDED 31 MARCH 2023

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### Support Services

#### People Services

We supported the recruitment of two executive leadership positions and two key senior managers, including the Director of People Services and the Director of Income Generation, who both joined the organisation during the first quarter of 2023 and two Clinical Service Managers covering Community Services and Patient and Family Support.

Much work was carried out across the Hospice Collaborative group to source a new Learning Management System to operate across the Sussex Hospices. iLearn was identified as the system of choice and was implemented at the beginning of April 2023. The new system enables effective benchmarking against the other Sussex hospices and provides a consistent approach to staff development and mandatory training.

Three heads of department participated in the popular 'Thrive Leadership and Management Programme', which is based on the Hospice UK programme. The programme was another excellent example of effective partnership working across the Sussex Hospices.

The Staff Survey carried out in July 2022 highlighted a number of positive responses and a few areas for improvement. To support recruitment and retention, we faced an overwhelming need to review and improve our pay and pay progression arrangements, so that we could continue to remain competitive in a very tight market.

Following this feedback, we prioritised bringing salaries more in line with local market rates. This included an uplift for our Housekeeping staff, which also ensured our commitment to pay the Living Wage as a minimum salary, and improving the pay of our Healthcare Assistants, our Senior Staff Nurses and Senior Sisters, to align them more closely with our NHS partners. We also applied an average cost of living award of around 3% which was much higher than in previous years and we improved sickness absence entitlement, to reflect local market forces.

#### Information, Communications and Technology

The theme of the past year has been the planning and implementation for the shifting of teams and operations offsite during the building enhancement project. This has involved providing network connectivity to three new sites alongside the migration from a proprietary NHS link to a standardised HSCN connection (Health and Social Care Network), providing a more resilient and supported link to the NHS. We have also implemented a mobile device management platform to give a more secure and controlled way to deploy and manage mobile devices.

During the year we started a programme of phishing simulations to test and educate staff and volunteers on the dangers of phishing scams to better protect the organisation.

#### Data Protection and Governance

By including our information governance and data protection course as part of the mandatory on-boarding training, we have been able to maintain a 98% compliance rate for most of the past year. We have also supplemented this training with a series of hospice-wide communications on topics such as the dangers of leaving screens unlocked in public areas, or clicking on links in suspicious emails. Our partners Trident have also run phishing scenarios to test our staff response to receiving these types of emails.

We are again pleased to report that we had no data breaches in the period. We continue to see an increase in questions to the Information Governance team that act to pre-empt any potential risk to data. The next few months will see training on the use of our IG incident reporting tool added to 1<sup>st</sup> day on-boarding tasks and further resources and communications created to support the wider organisation with identifying data protection issues.

# **THE MARTLETS HOSPICE LIMITED**

## **TRUSTEES' REPORT, INCORPORATING THE STRATEGIC REPORT FOR THE YEAR ENDED 31 MARCH 2023**

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### **Income Generation**

Our trading operation achieved 14% growth in turnover compared with 2021-22. We expanded our portfolio of outlets with the opening of our ninth charity shop In Saltdean. Our profit contribution dipped year on year to £196k (from £220k) due to rising cost pressures in staffing and utilities.

Fundraising performance this year presented a mixture of results, with clear indications that economic uncertainty and cost of living inflation is impacting charitable giving.

Our community and events programme of fundraising saw some encouraging activity, with Martlets challenges ending the year 21% over target showing an appetite for the public to take part. The Halloween Ball produced its highest ever income at £120k as did our Christmas campaign which resulted in £89k, a 32% increase year on year.

We reviewed our lottery activities and, at the end of the financial year, outsourced our lottery activity to Local Hospice Lotteries to benefit from greater canvassing economies of scale and capacity. We anticipate this will result in an extra £2m contributed to Martlets over the next 5 years.

We launched our Capital Appeal in June 2022 with an initial cross-period target of £2m and ended the year with £666k secured, mainly from charitable trusts. A further £1.5m pledged from a new trust expected has been received in early 2023/24. We anticipate a further £100k being secured from our public phase of the campaign during 2023/24.

In September 2022 we launched our third Wild in Art trail, Shaun by the Sea, with an aim to generate £200k profit across all fundraising activities. The launch received plaudits from across the corporate sector and engagement across the community has been increasing throughout the planning period. The activity will take place through September to November 2023, when we expect to see most of the income realised at the end of trail auction.

Legacy income was targeted to reach £3m and ended the year significantly short at £620k. Legacy income is extremely volatile and can be expected to fluctuate on an annual basis, therefore it is helpful to look at legacy income as a 5-year rolling average. Martlets legacy income 5-year rolling average has remained consistently above £2.8m since 2018. We expect a recovery in future years in line with our rolling average and external forecasting which shows sustained growth over the next 5 years.

Donors to Martlets can be assured that we comply with the regulatory standards for fundraising, as set out in the Charities Act 2016. We are registered with the Fundraising Regulator and are committed to the Fundraising Promise and adherence to the Code of Fundraising Practice. We encourage the fundraising service providers we engage with to be signed up to the Code to protect our supporters and the reputation of our Charity.

The Martlets website outlines our complaints policy for the public and clearly explains how an individual can complain. No complaints were received in the financial year. Our policy requires that a response to a complaint is made within ten days, and that serious complaints are escalated to our Leadership Team and Trustees.

# THE MARTLETS HOSPICE LIMITED

## TRUSTEES' REPORT, INCORPORATING THE STRATEGIC REPORT FOR THE YEAR ENDED 31 MARCH 2023

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### Marketing and Communications

The team has worked hard to support connection between all of the various Martlets' sites, our patients and our community during this year away from our Hospice building. This includes intranet site developments, new signage at sites and monthly all staff building enhancement updates. Creation of a patient film 'Marc's story,' created for our Halloween Ball, not only supported the event to its best-ever return, but saw Martlets win Gold at the national Smiley Charity Film Awards, with the judges praising the film for being an *'emotive, real story that's relatable and highlights the services of the charity brilliantly.'* The team also developed all content and assets for the Christmas fundraising campaign, which was the most successful Christmas appeal to date. TV and national media coverage was gained at the launch of the Shaun by the Sea art trail and the team has expanded its pool of professional volunteers over the year, to enhance cost-effective service delivery.

### Financial Summary

Martlets is reporting a consolidated deficit of £2,986k, which compares with a surplus of £323k in the prior year.

#### Income

Total income for the Group amounted to £8,855k, a 14% decrease over the prior financial year. Charitable activity income has shown a 13% decrease against last year amounting to £2,693k, mainly explained by the significantly lower amount of COVID-19 grants received during the period. Donations and Legacies have shown a 42% decrease on the prior year concluding at £2,082k. This difference is mainly due to a large shortfall against predicted legacy income of around £1.7m, along with lower levels of general donation income that were mitigated by higher charitable trust donations (relating to the build project). Trading activities reported £3,899k income for the year compared with £3,453k last year, an increase of 13%. Key improvements were made in shop sales and income generating events.

#### Expenditure

Total expenditure in the financial year amounted to £11,593k, an increase of £1,174k. Savings over budget of around £240k were made, due to strict cost management, but they were offset by the costs of increased activity in raising funds and returning to normal after the covid period. In addition, pressure on staff costs created by structural developments and pay reviews added to expenditure versus the previous year.

#### Investment Performance

During the early months of the year, significant divestment of the Martlets investment portfolio was made. This was to mitigate ongoing risk to the diversified portfolio and to convert to cash required for the major construction project. The year ended with no investment assets to report, and the remaining cash has been spent on the project. One investment property was sold in the year and those remaining have been disposed of in the ensuing months. Once again, proceeds have been used to fund the building project. One impact of our process of asset disposal has been a reported £248k realised loss for 2022/23.

#### Reserves Policy

The Board of Trustees adopted a reserves policy carefully designed following the guidance from Charity Commission guidance, "Charity reserves, building resilience" (CC19). The policy seeks to set a reserve requirement using three core components. First, an amount should be held that is equivalent to the redundancy costs of all staff within the organisation if these are required. Second, the value of 50% of most long-term leases and contracts should be retained. These funds would cover such leases in the event of a shutdown, with a belief that the remaining 50% could be mitigated. Finally, with legacies forming such a significant proportion of voluntary income, a percentage of annual budgeted legacy should be added to the reserve. At the end of March 2023, the three elements amounted to a reserve requirement of £3.1m. The free reserves as at the same date amounted to £4.5m, £1.4m above the target level.

# THE MARTLETS HOSPICE LIMITED

## TRUSTEES' REPORT, INCORPORATING THE STRATEGIC REPORT FOR THE YEAR ENDED 31 MARCH 2023

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### Designated Reserves

Martlets had retained £7m in designated reserves to assist in the funding of the building project at the point of commencement in June 2022, alongside the delivery of a Capital Appeal. Necessary revisions to the specification and scope of the build and refurbishments, general cost pressures and fundraising challenges meant that reserves levels beyond March 2023 could drop below the policy target. This required solutions to a very challenged cashflow plan and close financial management over the following year.

### Future Challenges and Changes

The combination of revision to the scope of the construction project (valued around £1m in terms of extra spending), the impact of economic turmoil and 2022/23 fundraising income shortfalls resulting in a very significant deficit (versus a breakeven budget), produced considerable pressure during 2023. The most immediate task was to secure our care services and find solutions to severe cashflow issues, which involved extended negotiations with potential lenders, exploring possibilities for partnership working with neighbouring hospices and new approaches in fundraising and appeals to major donors. All the investment properties were sold, with the last completing in late 2023, and support was given from the NHS in terms of payment advances and valuable advice.

Having faced unwelcome levels of risk across the middle of the year, a corner was turned thanks to enormous generosity from some remarkable donors. By October 2023, Martlets was performing ahead of budget in terms of income and expenditure and the immediate cashflow needs were all addressed. Completion of the construction project was achieved at the end of September 2023, with full occupation by early December. Continuing pressures will mean that spending and cash management will remain the top priority operationally for some time.

The experiences of 2023 highlighted the fundamental risks to Martlets' financial sustainability that followed the commitment of reserves to the project, very poor legacy income during 2022/23 and the resulting difficulty in maintaining reserves levels according to policy. The generosity mentioned created an opportunity to work on organisational design and operational structures but also led to a proposal from the board of St Barnabas Hospices, based in Worthing, to explore the potential for merging our charity with theirs. With shared goals to protect and improve patient care across our sites and the need to secure financial sustainability, the two boards began discussions during later 2023 and eventually signed heads of terms to commit to the merger plan just before Christmas. In January 2024 the merger deed was completed. This meant that Martlets became a subsidiary charity of the St Barnabas group charity, with a view towards a complete merging of all assets, liabilities, and operations by the end of 2024.

Facilitated by new board membership arrangements and what will be an extended period of transition management, integration, and organisational review, the new group will combine the strengths and expertise of St Barnabas House, Chestnut Tree House children's hospice and Martlets. This will mean we can increase our impact, improve access to quality care, secure financial sustainability, and ultimately achieve greater benefits for our patients, families, employees and wider communities.

Both Martlets and St Barnabas Hospices bring challenged financial situations into the merger, but structural savings and synergies will help bring the new group to surplus within three years. The strong reserves position that St Barnabas provides underpins the new plan and gives the financial security and time to be able to implement it.

Martlets and St Barnabas remain part of the Sussex Hospices Collaborative, which pools resources and expertise. Our focus on data insight, NHS engagement and workforce development will continue. Alongside this important work, which is expected to result in real opportunities for service development and financial security, the new group will actively seek further partnerships to increase the benefits of our care and secure financial sustainability for years to come.

# THE MARTLETS HOSPICE LIMITED

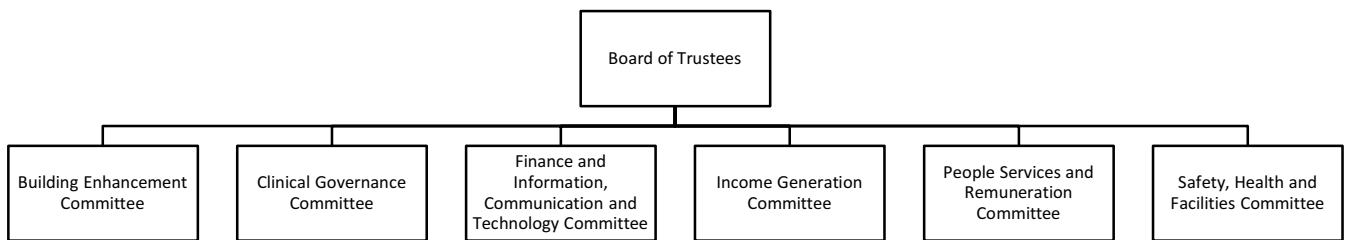
## TRUSTEES' REPORT, INCORPORATING THE STRATEGIC REPORT FOR THE YEAR ENDED 31 MARCH 2023

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### Governance

#### The Structure of the Hospice

The Board of Trustees is responsible for the overall governance of Martlets, which includes overseeing strategy, performance, and compliance with all legislation. Martlets has two subsidiaries and collectively the legal entities are referred to in the Financial Statements as “the Group”. Governance is an umbrella term for the systems, processes, and types of behaviour that enable Trustees to hold the organisation in trust, steer its work and optimise the benefit to current and future beneficiaries. Sub-committees ensure the appropriate oversight of strategic and operational areas. All committees offer advice direct to the Board of Directors and are listed below.



#### Directors and Trustees

All Trustees are Directors of The Martlets Hospice Limited, maintained at 13 members, and collectively have the power to appoint additional Trustees as they consider appropriate. Trustees serve up to a maximum of three terms of three years each, meeting as the Board every three months with additional extraordinary meetings as required. Additional Board days support strategic planning. All Trustees and Directors undergo an induction to educate on the policies and procedures for Martlets, training for specific topics as well as general information on how the organisation operates.

#### Risk Assessment and Management

Martlets operates an active Risk Register segmented into categories and reviewed at each appropriate sub-committee. These documents are periodically reviewed to assess existing risk and document new subjects as they come up. Mitigating actions are offered and tracked to alleviate identified risks where appropriate. Business Continuity Plans are also maintained, complemented by scenario planning simulations with team managers to practice events and leverage learnings from such simulations.

#### Executive Team Remuneration

Remuneration of the Martlets Executive Team is governed by the People Services and Remuneration Committee. Benchmarking continues to enable pay recommendations to be made, and to retain talent and reward for excellence.

#### Recruitment Policy

Martlets makes reasonable adjustments in the recruitment process to ensure that no applicant is disadvantaged because of their protected characteristic. Our technical solutions enable anonymised shortlisting as personal and diversity information is held back. Guidance available sets out how we aim to eliminate bias from our recruitment process as this is the best way to reflect diversity, be fair to all applicants and encourage under-represented groups to apply for work or volunteering opportunities with us. We wish to reflect the diversity of the local community as far as possible as we believe it can enrich our services and enhance our social and cultural life.

#### Equality, Diversity, Inclusion and Belonging Policy

Martlets ascertains sensitively whether staff members require reasonable adjustments and therefore plans accordingly to meet any continuing healthcare needs or management of long-term conditions. Martlets will make reasonable adjustments to selection procedures for training or the training arrangements themselves. This could involve changing the way we conduct training, changes to the premises that we use or providing extra aids, services, or equipment to remove barriers for disabled staff.

# THE MARTLETS HOSPICE LIMITED

## TRUSTEES' REPORT, INCORPORATING THE STRATEGIC REPORT FOR THE YEAR ENDED 31 MARCH 2023

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### Trustee Declaration

So far as the Trustees are aware, there is no relevant audit information (as defined by Section 418 of the Companies Act 2006) of which the Company's Auditors are unaware, and each Trustee has taken all the steps that they ought to have taken as a Trustee to make themselves aware of any relevant audit information and to establish that the Company's Auditors are aware of that information.

The Trustees' Report incorporating the Strategic Report was approved by the Board of Trustees on 28/3/2024 and signed on its behalf by:

DocuSigned by:  
  
60A16E677F4E41F...

Juliet Smith  
Trustee

DocuSigned by:  
  
6B60A64E39EC45A...

Christopher Thomas  
Secretary

# THE MARTLETS HOSPICE LIMITED

## STATEMENT OF TRUSTEES' RESPONSIBILITIES FOR THE YEAR ENDED

### 31 MARCH 2023

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The Trustees, who are also the Directors of The Martlets Hospice Limited for company law, are responsible for preparing the Trustees' Report (incorporating the Strategic Report) and the accounts in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including Financial Reporting Standard FRS102 The Financial Reporting Standard applicable in the UK and Republic of Ireland.

Company law requires the Trustees to prepare accounts for each financial year which give a true and fair view of the state of affairs of the Charity and Group and of the incoming resources and application of resources, including the income and expenditure, of the Charitable Company and the Group for that year.

In preparing these accounts, the Trustees are required to:

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charities SORP;
- make judgements and estimates that are reasonable and prudent; and
- prepare the accounts on the going concern basis unless it is inappropriate to presume that the Charity will continue in operation.

The Trustees are responsible for keeping adequate accounting records that disclose with reasonable accuracy at any time the financial position of the Charitable Company and the Group and enable them to ensure that the accounts comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the Charitable Company and the Group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities and to provide reasonable assurance that:

- the Charity is operating effectively and efficiently;
- its assets are safeguarded against unauthorised use or disposition;
- proper records are maintained, and that financial information used within the Charity or for external publication is reliable;
- the Charity complies with relevant laws and regulations; and
- a system of effective clinical governance is in place.

The systems of internal controls are designed to provide reasonable, but not absolute, assurance against material misstatement or loss. They include:

- an annual budget approved by the Board;
- regular forecasts to predict the likely outcome for the financial year;
- regular monitoring of actual performance against budgets and forecasts;
- delegation of authority to managers for expenditure within budget limits;
- segregation of duties; and
- identification and management of risk.

# INDEPENDENT AUDITORS' REPORT TO THE TRUSTEES OF THE MARTLETS HOSPICE LIMITED

We have audited the financial statements of The Martlets Hospice Limited ('the company') for the year ended 31 March 2023 which comprise the Consolidated Statement of Financial Activities, the Consolidated Balance Sheet, the Charity Balance sheet, the Consolidated Cash Flow Statement and notes to the financial statements, 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 FRS 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 group's and the parent charitable company's affairs as at 31 March 2023 and of the group's 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 Auditor's Responsibilities for the audit of 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 UK, including the FRC'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.

## **Emphasis of matter - Financial statements prepared on a basis other than Going Concern**

We draw attention to Note 1.3 to the financial statements which explains that the directors intend to liquidate the company and therefore do not consider it to be appropriate to adopt the going concern basis of accounting in preparing the financial statements. Accordingly the financial statements have been prepared on a basis other than going concern as described in Note 1.3. Our opinion is not modified in respect of this matter.

## **Other Information**

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

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

We have nothing to report in this regard.

# INDEPENDENT AUDITORS' REPORT TO THE TRUSTEES OF THE MARTLETS HOSPICE LIMITED

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## **Opinions 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' annual report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the strategic report and the trustees' annual report have been prepared in accordance with applicable legal requirements.

## **Matters on which we are required to report by exception**

In the light of the knowledge and understanding of the group and the charitable company and its environment obtained in the course of the audit, we have not identified any material misstatements in the strategic report and the annual trustees' report.

We have nothing to report in respect of the following matters where the Companies Act 2011 requires us to report to you if, in our opinion:

- the information given in the Trustees' Annual Report is inconsistent in any material respect with the financial statements; or
- the charity has not kept adequate accounting records; or
- the financial statements are not in agreement with the accounting records and returns; 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 set out on page 12, the trustees 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 charity'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 charity or to cease operations, or have no realistic alternative but to do so.

## **Auditor's 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 auditor's 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 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.

# INDEPENDENT AUDITORS' REPORT TO THE TRUSTEES OF THE MARTLETS HOSPICE LIMITED

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## **Explanation as to what extent the audit was considered capable of detecting irregularities, including fraud**

The objectives of our audit in respect of fraud, are; to identify and assess the risks of material misstatement of the financial statements due to fraud; to obtain sufficient appropriate audit evidence regarding the assessed risks of material misstatement due to fraud, through designing and implementing appropriate responses to those assessed risks; and to respond appropriately to instances of fraud or suspected fraud identified during the audit. However, the primary responsibility for the prevention and detection of fraud rests with both management and those charged with governance of the charity.

Our approach was as follows:

- we obtained an understanding of the legal and regulatory requirements applicable to the charity and considered that the most significant are the Charities Act 2011, the Charity SORP, and UK financial reporting standards as issued by the Financial Reporting Council;
- we obtained an understanding of how the charity complies with these requirements by discussions with management and those charged with governance;
- we assessed the risk of material misstatement of the financial statements, including the risk of material misstatement due to fraud and how it might occur, by holding discussions with management and those charged with governance;
- we inquired of management and those charged with governance as to any known instances of non-compliance or suspected non-compliance with laws and regulations;
- based on this understanding, we designed specific appropriate audit procedures to identify instances of non-compliance with laws and regulations. This included making enquiries of management and those charged with governance and obtaining additional corroborative evidence as required.

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 purposes of expressing an opinion on the effectiveness of the charity'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 charity's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's 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 auditor's report. However, future events or conditions may cause the charity 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.

# INDEPENDENT AUDITORS' REPORT TO THE TRUSTEES OF THE MARTLETS HOSPICE LIMITED

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## 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 auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to any party other than the charitable company and the charitable company's members as a body, for our audit work, for this report, or for the opinion we have formed.

*Moore Kingston Smith LLP.*

## **James Saunders (Senior Statutory Auditor)**

for and on behalf of Moore Kingston Smith LLP, Statutory Auditor

Betchworth House  
57-65 Station Road  
Redhill  
Surrey  
RH1 1DL

Date 27 March 2024

**THE MARTLETS HOSPICE LIMITED  
CONSOLIDATED STATEMENT OF FINANCIAL ACTIVITIES (INCLUDING THE INCOME AND EXPENDITURE ACCOUNT)  
FOR THE YEAR ENDED 31 MARCH 2023**

	Note	2023			2022			Total Funds £
		Unrestricted Funds General £	Unrestricted Funds Designated £	Restricted Funds £	Unrestricted Funds General £	Unrestricted Funds Designated £	Restricted Funds £	
<b>INCOME AND ENDOWMENTS:</b>								
Donations and legacies	2	2,004,595	-	77,631	3,477,543	-	106,004	3,583,547
Charitable activities	3	2,692,917	-	-	3,078,527	-	-	3,078,527
Other trading activities	4	3,223,273	-	676,163	3,452,933	-	-	3,452,933
Income from investments	5	180,718	-	-	153,709	-	-	153,709
<b>Total Income and Endowments</b>		<b>8,101,503</b>	<b>-</b>	<b>753,794</b>	<b>10,162,712</b>	<b>-</b>	<b>106,004</b>	<b>10,268,716</b>
<b>EXPENDITURE:</b>								
Raising funds	6	2,268,287	-	-	2,185,658	-	-	2,185,658
Charitable activities	7	9,225,459	-	99,446	8,022,797	-	210,333	8,233,130
<b>Total Expenditure</b>		<b>11,493,746</b>	<b>-</b>	<b>99,446</b>	<b>10,208,455</b>	<b>-</b>	<b>210,333</b>	<b>10,418,788</b>
<b>Net Surplus/ (Deficit) before other recognised gains and losses</b>		<b>(3,392,243)</b>	<b>-</b>	<b>654,348</b>	<b>(45,743)</b>	<b>-</b>	<b>(104,329)</b>	<b>(150,072)</b>
Net gains/ (losses) on investments		(247,694)	-	-	472,775	-	-	472,775
Taxation		-	-	-	-	-	-	-
<b>Net Surplus/ (Deficit)</b>		<b>(3,639,937)</b>	<b>-</b>	<b>654,348</b>	<b>427,032</b>	<b>-</b>	<b>(104,329)</b>	<b>322,703</b>
Transfers between funds		-	-	-	(2,000,000)	2,000,000	-	-
<b>Net movement in funds</b>		<b>(3,639,937)</b>	<b>-</b>	<b>654,348</b>	<b>(1,572,968)</b>	<b>2,000,000</b>	<b>(104,329)</b>	<b>322,703</b>
<b>Reconciliation of Funds</b>								
Balance brought forward		5,936,495	7,000,000	1,715,509	7,509,463	5,000,000	1,819,838	14,329,301
<b>Balance carried forward</b>	21	<b>2,296,558</b>	<b>7,000,000</b>	<b>2,369,857</b>	<b>5,936,495</b>	<b>7,000,000</b>	<b>1,715,509</b>	<b>14,652,004</b>

The statement of financial activities includes all gains and losses recognised in the year and all income and expenditure derive from continuing activities. The Hospice has a deficit for the year of £2,870,383 (2022: £7,819).

The notes on pages 21 to 37 form part of these financial statements.

# THE MARTLETS HOSPICE LIMITED

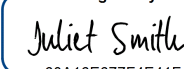
## CONSOLIDATED BALANCE SHEET

### FOR THE YEAR ENDED 31 MARCH 2023

	Notes	2023		2022	
		£	£	£	£
<b>Fixed assets:</b>					
Tangible assets	12		7,147,117		3,139,969
Intangible assets	13		-		-
Investment property	11		1,500,000		2,125,208
Investments	14		-		3,684,467
Total fixed assets			<u>8,647,117</u>		<u>8,949,644</u>
<b>Current assets:</b>					
Stock	16	30,977		15,612	
Debtors	17	2,588,029		3,336,871	
Cash at bank and in hand		2,190,038		3,638,698	
Total current assets		<u>4,809,044</u>		<u>6,991,181</u>	
<b>Liabilities:</b>					
Creditors: Amounts falling due within one year	18	<u>(1,746,739)</u>		<u>(1,231,704)</u>	
<b>Net current assets</b>			<u>3,062,305</u>		<u>5,759,477</u>
<b>Total assets less current liabilities</b>			<u>11,709,422</u>		<u>14,709,121</u>
Creditors: Amounts falling due in greater than one year	19		(43,008)		(50,577)
Provisions for liabilities			-		(6,540)
<b>Net assets</b>			<u><u>11,666,415</u></u>		<u><u>14,652,004</u></u>
<b>The funds of the charity:</b>					
Restricted funds	21		2,369,857		1,715,509
Unrestricted funds	21		2,296,558		5,936,495
Designated funds	21		7,000,000		7,000,000
<b>Total funds</b>			<u><u>11,666,415</u></u>		<u><u>14,652,004</u></u>

28/3/2024

These financial statements were approved by the members of the Board of Trustees on .....  
and signed on their behalf by:

DocuSigned by:  
  
 60A16E677F4E41F...  
**Juliet Smith**  
 Trustee

DocuSigned by:  
  
 6B60A64E39EC45A...  
**Christopher Thomas**  
 Secretary

Charity number: 802145  
 Company number: 02326410 (England and Wales)

The notes on pages 21 to 37 form part of these financial statements.

# THE MARTLETS HOSPICE LIMITED

## CHARITY BALANCE SHEET

### FOR THE YEAR ENDED 31 MARCH 2023

	Notes	2023		2022	
		£	£	£	£
<b>Fixed assets:</b>					
Tangible assets	12		7,125,678		3,108,295
Intangible assets	13		-		-
Investment property	11		1,500,000		2,125,208
Investments	14		2		3,684,469
Total fixed assets			<u>8,625,680</u>		<u>8,377,972</u>
<b>Current assets:</b>					
Debtors	17	2,658,456		3,254,850	
Cash at bank and in hand		<u>2,075,421</u>		<u>3,543,711</u>	
Total current assets			<u>4,733,877</u>		<u>6,798,561</u>
<b>Liabilities:</b>					
Creditors: Amounts falling due within one year	18	<u>(1,611,150)</u>		<u>(1,087,009)</u>	
<b>Net current assets</b>			<u>3,122,727</u>		<u>5,711,552</u>
<b>Total assets less current liabilities</b>			<u>11,748,407</u>		<u>14,629,524</u>
Creditors: Amounts falling due in greater than one year	19		<u>-</u>		<u>(10,734)</u>
<b>Net assets</b>			<u><u>11,748,407</u></u>		<u><u>14,618,790</u></u>
<b>The funds of the charity:</b>					
Restricted funds	21		2,369,857		1,715,509
Unrestricted funds			2,378,550		5,903,281
Designated funds			<u>7,000,000</u>		<u>7,000,000</u>
<b>Total funds</b>			<u><u>11,748,407</u></u>		<u><u>14,618,790</u></u>

28/3/2024

These financial statements were approved by the members of the Board of Trustees on ..... and signed on their behalf by:

DocuSigned by:  
  
 60A16E677F4E41F...  
**Juliet Smith**  
 Trustee

DocuSigned by:  
  
 6B60A64E39EC45A...  
**Christopher Thomas**  
 Secretary

Charity number: 802145  
 Company number: 02326410 (England and Wales)

The notes on pages 21 to 37 form part of these financial statements.

# THE MARTLETS HOSPICE LIMITED

## CONSOLIDATED STATEMENT OF CASHFLOWS

### FOR THE YEAR ENDED 31 MARCH 2023

	Notes	2023 £	2022 £
<b>Cash flows from operating activities:</b>			
Net cash provided by operating activities	24	(1,557,950)	458,653
<b>Cash flows from investing activities:</b>			
Dividends and interest receivable		180,718	153,709
Purchase of tangible fixed assets		(4,133,409)	(242,576)
Purchase of investments		-	(1,905,592)
Proceeds from sale of investments and fixed assets		2,244,511	1,900,462
Proceeds from sale of investment properties		540,000	-
Proceeds from maturity of investment portfolio		1,277,470	-
Net cash provided by investing activities		<u>109,290</u>	<u>(93,997)</u>
Change in cash and cash equivalents in the reporting period		(1,448,660)	364,656
<b>Cash and cash equivalents at the beginning of the reporting period</b>		3,638,698	3,274,042
<b>Cash and cash equivalents at the end of the reporting period</b>	25	<u><u>2,190,038</u></u>	<u><u>3,638,698</u></u>

# THE MARTLETS HOSPICE LIMITED

## NOTES TO THE FINANCIAL STATEMENTS

### FOR THE YEAR ENDED 31 MARCH 2023

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#### 1 ACCOUNTING POLICIES

##### Company Information

The Martlets Hospice Limited is a charitable company, limited by guarantee, registered in England and Wales. The charitable company's registered number and registered office address can be found in the Legal and Administrative information section of the accounts.

The Group consists of Martlets Hospice Limited and its two subsidiaries, The Martlets Trading Co Limited and Martlets Care Limited.

##### 1.1 Basis of Preparation

A summary of the principal accounting policies adopted, judgements and key sources of estimation uncertainty, is set out below.

The financial statements have been prepared in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) and with the Companies Act 2006, The Charities Act 2011 and follows the Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and the Republic of Ireland ('the SORP'). The financial statements have been prepared on the historical basis except for the modification to a fair value basis for certain financial instruments as specified in the accounting policies below.

The financial statements are prepared in sterling, which is the functional currency of the company. Monetary amounts in these financial statements are rounded to the nearest pound.

The financial statements have been prepared under the historical cost convention, modified to include the revaluation of investment properties and certain financial instruments at fair value. The principal accounting policies adopted are set out below.

##### 1.2 Basis of consolidation

The results of The Martlets Trading Co Limited and Martlets Care Limited have been consolidated on a line by line basis. The results for the subsidiaries are disclosed in note 15. As permitted by s408 Companies Act 2006, the Hospice has not presented its own statement of financial activities and related

##### 1.3 Going concern

At the Balance Sheet date the group had net assets of £11,666,415 including cash balances of £2,190,038. Post year end on 1st February 2024 an agreement was reached to make the group part of St Barnabas Hospice meaning the company is expected to be liquidated in due course. Due to this the trustees have made the assessment that the financial statements are prepared on a basis other than going concern.

##### 1.4 Incoming resources

Grants are recognised as income over the period to which they relate. Any grant funding received in advance is recognised as deferred income on the balance sheet.

Legacies are recognised following probate and once there is sufficient evidence that receipt is probable and the amount of the legacy receivable can be measured reliably. Where entitlement to a legacy exists but there is uncertainty as to its receipt or the amount receivable, details are disclosed as a contingent asset until the criteria for income recognition are met.

All other incoming resources are recognised when the charity is entitled to the income, there is certainty of receipt and the monetary value can be measured with reasonable accuracy.

# THE MARTLETS HOSPICE LIMITED

## NOTES TO THE FINANCIAL STATEMENTS

### FOR THE YEAR ENDED 31 MARCH 2023

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#### 1 ACCOUNTING POLICIES (CONTINUED)

##### 1.5 Government grant receivable

Government grants are recognised at the fair value of the asset received or receivable when there is reasonable assurance that the grant conditions will be met and the grants will be received.

##### 1.6 Donated goods

Donated goods and services have not been recognised in these financial statements as it is not practicable to do so as the cost outweighs the benefit.

##### 1.7 Resources expended and the basis of allocation of costs

Expenditure is accounted for on an accruals basis. Overheads and other costs not directly attributable to particular projects are apportioned to the relevant funds on the basis of management estimates of the amount attributable to that activity in the year, either by reference to staff, time or space occupied, as appropriate.

Costs relating to a particular activity are allocated directly and others are apportioned on an appropriate staff basis. All costs are allocated between the expenditure categories of the Statement of Financial Activities on a basis designated to reflect the use of the resources.

##### 1.8 Fixed assets

Depreciation is provided at rates calculated to write off the cost or valuation of fixed assets, less estimated residual value, over the expected useful life on the following basis:

Leasehold buildings	-	2% reducing balance
Furniture & equipment	-	15-20% reducing balance
Motor vehicles	-	25% reducing balance
Computer equipment	-	25-30% straight line

At the end of each accounting period the residual values and useful lives of assets are reviewed and adjusted if necessary. In addition, if events or change in circumstances indicate that the carrying value may not be recoverable then the carrying values of tangible fixed assets are reviewed for impairment.

Assets costing less than £5,000 are written off to the Statement of Financial Activities. Assets under construction are not depreciated until the asset is brought into use.

Assets are written off to the Statement of Financial Activities once their net book value becomes less than £5,000.

##### 1.9 Intangible fixed assets

Intangible fixed assets are stated at cost less amortisation. Amortisation is provided at rates calculated to write off the cost less estimated residual value of each asset over its expected useful life as follows:

Website	-	25% straight line
---------	---	-------------------

Assets are written off to the Statement of Financial Activities once their net book value becomes less than £5,000.

##### 1.10 Stock

Stock is stated at the lower of cost and estimated selling price less costs to complete and sell. Cost comprises direct materials and, where applicable, direct labour costs and those overheads that have been incurred in bringing the stock to their present location and condition.

Stock held for distribution at no or nominal consideration is measured at the lower of replacement cost and cost, adjusted where applicable for any loss of service potential.

At each reporting date, an assessment is made for impairment. Any excess of the carrying amount of stock over its estimated selling price less costs to complete and sell is recognised as an impairment loss in profit or loss. Reversals of impairment losses are also recognised in profit or loss.

# THE MARTLETS HOSPICE LIMITED

## NOTES TO THE FINANCIAL STATEMENTS

### FOR THE YEAR ENDED 31 MARCH 2023

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#### 1 ACCOUNTING POLICIES (CONTINUED)

##### 1.11 Investments

Interests in subsidiaries are initially measured at cost and subsequently measured at cost less any accumulated impairment losses. The investments are assessed for impairment at each reporting date and any impairment losses or reversals are recognised immediately in profit or loss.

A subsidiary is an entity controlled by the charitable company. Control is the power to govern the financial and operating policies of the entity so as to obtain benefits from its activities.

Listed investments are initially recognised at their transaction value and subsequently measured at their fair value as at the balance sheet date using the closing quoted market price. The Statement of Financial Activities includes the net gains and losses arising on revaluation and disposals throughout the year.

##### 1.12 Investment property

Investment property, which is property held to earn rentals and/or for capital appreciation, is measured using the fair value model and stated at its fair value at the reporting end date. The surplus or deficit on revaluation is recognised in the Statement of Financial Activities.

##### 1.13 Financial assets

Basic financial assets, which include trade and other receivables and cash and bank balances, are initially measured at transaction price including transaction costs and are subsequently carried at amortised cost using the effective interest method, unless arrangement constitutes a financing transaction, where the transaction is measured at the present value of the future receipts discounted at a market rate of interest.

##### 1.14 Financial liabilities

Basic financial liabilities are initially measured at transaction price.

##### 1.15 Leases

Rent payable under operating leases is accounted for in the Statement of Financial Activities in equal amounts over the period of the lease.

##### 1.16 Taxation

The Martlets Hospice Limited is registered as a charity and all its income falls within the exemptions under Part 11 of the Corporation Tax Act 2010. Any tax charged incurred by the Group is based on taxable profit for the year and included as a liability at the balance sheet date where necessary.

##### 1.17 Deferred taxation

Deferred tax liabilities are generally recognised for all timing differences and deferred tax assets are recognised to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits. Such assets and liabilities are not recognised if the timing difference arises from goodwill or from the initial recognition of other assets and liabilities in a transaction that affects neither the tax profit nor the accounting profit.

The carrying amount of deferred tax assets is reviewed at each reporting end date and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered. Deferred tax is calculated at the tax rates that are expected to apply in the period when the liability is settled or the asset is realised. Deferred tax is charged or credited in the Statement of Financial Activities, except when it relates to items charged or credited directly to equity, in which case the deferred tax is also dealt with in equity. Deferred tax assets and liabilities are offset when the company has a legally enforceable right to offset current tax assets and liabilities and the deferred tax assets and liabilities relate to taxes levied by the same tax authority.

# THE MARTLETS HOSPICE LIMITED

## NOTES TO THE FINANCIAL STATEMENTS

### FOR THE YEAR ENDED 31 MARCH 2023

#### 1 ACCOUNTING POLICIES (CONTINUED)

##### 1.18 Pension costs and other post-retirement benefits

The Martlets Hospice Limited operates a defined benefit pension scheme and a defined contribution pension scheme for its staff. Contributions payable to the charitable company's pension scheme are charged to the Statement of Financial Activities in the period to which they relate.

The Martlets Hospice Limited is one of many employers in the NHS Pension Scheme. It is, therefore, not possible to allocate any actuarial surplus or deficit and, consequently, contributions to the NHS Pension Scheme are charged to the Statement of Financial Activities in the year in which they fall due for payment. The scheme has both defined benefits and contributions, any shortfall in the national fund being met by the Exchequer.

##### 1.19 Fund accounting

Unrestricted funds can be used in accordance with the charitable objectives at the discretion of the trustees.

Restricted funds can only be used for particular restricted purposes within the objects of the charity. Restrictions arise when specified by the donor or when funds are raised for particular restricted purposes.

Designated funds are funds set aside by Trustees to be used for a specific purpose.

Further explanation of the nature and purpose of each fund is included in the notes to the financial statements.

##### 1.20 Critical accounting judgements and key sources of estimation uncertainty

In the application of the accounting policies, the trustees are required to make judgements, estimates and assumptions about the carrying amount of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised where the revision affects only that period, or in the period of the revision and future periods where the revision affects both current and future periods.

The following judgements (apart from those involving estimates) have had the most significant effect on amounts recognised in the financial statements.

##### Valuation of investment properties

The fair value of the investment properties has been arrived at on the basis of sale of all properties post year end. The investment properties have been revalued downwards to reflect the change in post year end market value.

#### 2 DONATIONS AND LEGACIES

	Unrestricted Funds	Restricted Funds	Total 2023	Total 2022
	£	£	£	£
Patient related donations	271,269	-	271,269	365,561
Legacies receivable	620,657	-	620,657	2,343,451
General donations from individuals	306,981	-	306,981	364,996
Corporate donations	112,647	-	112,647	211,852
Donated goods Gift Aid scheme	66,981	-	66,981	51,923
Charitable Trust donations	626,060	77,631	703,691	245,764
	<u>2,004,595</u>	<u>77,631</u>	<u>2,082,226</u>	<u>3,583,547</u>

# THE MARTLETS HOSPICE LIMITED

## NOTES TO THE FINANCIAL STATEMENTS

### FOR THE YEAR ENDED 31 MARCH 2023

#### 3 INCOME FROM CHARITABLE ACTIVITIES

	Unrestricted Funds £	Restricted Funds £	Total 2023 £	Total 2022 £
CCG grants	2,621,045	-	2,621,045	2,579,216
COVID-19 grants	29,338	-	29,338	420,447
Other services	42,534	-	42,534	78,864
	<u>2,692,917</u>	<u>-</u>	<u>2,692,917</u>	<u>3,078,527</u>

#### 4 INCOME FROM OTHER TRADING ACTIVITIES

	Unrestricted Funds £	Restricted Funds £	Total 2023 £	Total 2022 £
Shop sales	1,474,196	-	1,474,196	1,278,720
Online sales	103,466	-	103,466	102,443
Recycled sales	44,121	-	44,121	42,297
New Goods sales	71,313	-	71,313	59,249
Care packages	713,681	-	713,681	776,054
Respite packages	123,368	-	123,368	178,021
Functions and events income	14,828	676,163	690,991	338,309
Collection boxes	10,912	-	10,912	9,712
Lottery income	667,388	-	667,388	668,128
	<u>3,223,273</u>	<u>676,163</u>	<u>3,899,436</u>	<u>3,452,933</u>

#### 5 INVESTMENT INCOME

	Unrestricted Funds £	Restricted Funds £	Total 2023 £	Total 2022 £
Dividend income	79,645	-	79,645	62,778
Interest income	30,281	-	30,281	3,191
Rental income	70,792	-	70,792	87,740
	<u>180,718</u>	<u>-</u>	<u>180,718</u>	<u>153,709</u>

#### 6 EXPENDITURE ON RAISING FUNDS

	Unrestricted Funds £	Restricted Funds £	Total 2023 £	Total 2022 £
<b>Activities undertaken directly</b>				
Staff costs	1,272,120	-	1,272,120	1,256,829
Other costs	403,806	-	403,806	302,655
	<u>1,675,926</u>	<u>-</u>	<u>1,675,926</u>	<u>1,559,484</u>
<b>Support costs</b>				
Staff costs	135,058	-	135,058	119,714
Other costs	457,304	-	457,304	506,460
	<u>592,362</u>	<u>-</u>	<u>592,362</u>	<u>626,174</u>
	<u>2,268,287</u>	<u>-</u>	<u>2,268,287</u>	<u>2,185,658</u>

# THE MARTLETS HOSPICE LIMITED

## NOTES TO THE FINANCIAL STATEMENTS

### FOR THE YEAR ENDED 31 MARCH 2023

#### 7 EXPENDITURE ON CHARITABLE ACTIVITIES

	Unrestricted Funds £	Restricted Funds £	Total 2023 £	Total 2022 £
<b>Activities undertaken directly</b>				
Staff costs	4,245,402	33,895	4,279,297	4,476,593
Other costs	450,552	30,472	481,024	595,261
	<u>4,695,955</u>	<u>64,367</u>	<u>4,760,321</u>	<u>5,071,854</u>
<b>Support</b>				
Staff costs	2,399,594	-	2,399,594	1,876,364
Other costs	2,129,910	35,079	2,164,989	1,284,912
	<u>4,529,504</u>	<u>35,079</u>	<u>4,564,583</u>	<u>3,161,276</u>
	<u>9,225,459</u>	<u>99,446</u>	<u>9,324,905</u>	<u>8,233,130</u>

#### 8 ANALYSIS OF SUPPORT COSTS

	Unrestricted funds £	Restricted funds £	Total 2023 £	Total 2022 £
Staff costs	2,534,652	-	2,534,652	1,996,078
Printing and stationery	51,375	-	51,375	26,053
Advertising	50,019	-	50,019	37,277
Legal and professional fees	122,337	-	122,337	142,854
Auditor's remuneration	21,524	-	21,524	21,672
Conference and training	68,827	-	68,827	68,047
Computer running costs	408,787	-	408,787	406,592
Service contracts	20,528	-	20,528	18,961
Repairs and renewals	22,518	-	22,518	87,479
Security	2,551	-	2,551	-
Travel and motor costs	52,259	-	52,259	36,178
Rent and rates	1,245,853	-	1,245,853	442,163
Heat and light	184,852	-	184,852	176,866
Telephone costs	34,473	-	34,473	42,050
Insurance	61,879	-	61,879	15,910
Subscription costs	15,331	-	15,331	15,744
Investment management	16,426	-	16,426	19,227
Bank charges	31,707	-	31,707	34,378
Other costs	84,786	-	84,786	64,774
Depreciation costs	126,260	-	126,260	135,096
	<u>5,156,945</u>	<u>-</u>	<u>5,156,945</u>	<u>3,787,399</u>

Included within Support Costs above are Governance Costs. These costs include auditor's remuneration of £21,524 (2022: £21,672).

#### 9 STAFF COSTS

	2023 £	2022 £
Wages and salaries	6,895,637	6,492,608
Social security costs	653,262	574,803
Pension costs	513,539	461,146
	<u>8,062,438</u>	<u>7,528,557</u>

The average monthly number of employees (full time equivalent) during the year was as follows:

	2023 Number	2022 Number
Direct charitable activities	124	139
Administration	58	48
Fundraising	14	13
Martlets Care Limited	49	55
The Martlets Trading Co Limited	34	32
	<u>279</u>	<u>287</u>

# THE MARTLETS HOSPICE LIMITED

## NOTES TO THE FINANCIAL STATEMENTS

### FOR THE YEAR ENDED 31 MARCH 2023

#### 9 STAFF COSTS (continued)

The number of employees whose emoluments, excluding pension contributions, were over £60,000 during the year were:

	2023 £	2022 £
£60,000 - £70,000	3	1
£70,000 - £80,000	3	1
£80,000 - £90,000	1	2
£90,000 - £100,000	1	1
£100,000 - £110,000	1	-
£120,000 - £130,000	-	1
£150,000 - £160,000	-	1
£160,000 - £170,000	1	-
£170,000 - £180,000	-	1
£180,000 - £190,000	1	-
	11	8

Of the employees whose emoluments exceed £60,000, 6 (2022: 2) have retirement benefits accruing under defined benefit pension schemes. Pension contributions for higher paid employees in the year amounted to £92,812 (2022: £47,728).

The key management personnel of the parent charitable company comprise the Chief Executive, Director of Income Generation, Director of Finance and Support Services, Director of Clinical Services and the Director of People Services.

During the year key management personnel received total remuneration of £713,845 (2022: £691,249).

#### 10 TRUSTEE REMUNERATION

The trustees did not receive any remuneration during the year (2022 - £nil). Trustees received reimbursement of expenses in the year of £422 (2022 - £1,001).

#### 11 INVESTMENT PROPERTY

<b><u>CHARITY AND GROUP</u></b>	£
<b>Fair Value</b>	
At 1 April 2022	2,125,208
Disposed	(540,000)
Revaluation	(85,208)
<b>At 31 March 2023</b>	<b>1,500,000</b>

The Charity acquired the investment properties from legacy bequests received between 2017 and 2020. The fair value of the investment properties has been arrived at on the basis of sale of all properties post year end. The investment properties have been revalued downwards to reflect the change in post year end market value.

Historical cost of the investment properties is £1,732,329 (2022: £1,732,329).

# THE MARTLETS HOSPICE LIMITED

## NOTES TO THE FINANCIAL STATEMENTS

### FOR THE YEAR ENDED 31 MARCH 2023

#### 12 TANGIBLE FIXED ASSETS

<b>GROUP</b>	<b>Asset Under Construction</b>	<b>Leasehold buildings</b>	<b>Furniture &amp; equipment</b>	<b>Computer equipment</b>	<b>Motor vehicles</b>	<b>Total</b>
	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>
<b>Cost:</b>						
At 1 April 2022	530,919	3,837,547	372,788	382,119	61,428	5,184,801
Additions	4,110,254	-	-	23,155	-	4,133,409
<b>At 31 March 2023</b>	<b>4,641,173</b>	<b>3,837,547</b>	<b>372,788</b>	<b>405,274</b>	<b>61,428</b>	<b>9,318,210</b>
<b>Depreciation:</b>						
At 1 April 2022	-	1,400,766	319,777	282,463	41,826	2,044,832
Charge for the year	-	49,687	13,915	57,757	4,901	126,260
<b>At 31 March 2023</b>	<b>-</b>	<b>1,450,453</b>	<b>333,692</b>	<b>340,220</b>	<b>46,727</b>	<b>2,171,092</b>
<b>Net Book Value:</b>						
<b>At 31 March 2023</b>	<b>4,641,173</b>	<b>2,387,094</b>	<b>39,096</b>	<b>65,054</b>	<b>14,701</b>	<b>7,147,117</b>
At 31 March 2022	530,919	2,436,781	53,011	99,656	19,602	3,139,968
	<b>Asset Under Construction</b>	<b>Leasehold buildings</b>	<b>Furniture &amp; equipment</b>	<b>Computer equipment</b>	<b>Motor vehicles</b>	<b>Total</b>
	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>
<b>CHARITY</b>						
<b>Cost:</b>						
At 1 April 2022	530,919	3,837,547	319,623	382,119	40,593	5,110,801
Additions	4,110,254	-	-	23,155	-	4,133,409
Disposals	-	-	-	-	-	-
<b>At 31 March 2023</b>	<b>4,641,173</b>	<b>3,837,547</b>	<b>319,623</b>	<b>405,274</b>	<b>40,593</b>	<b>9,244,210</b>
At 1 April 2022	-	1,400,766	286,565	282,463	32,712	2,002,506
Charge for the year	-	49,687	6,612	57,757	1,970	116,026
<b>At 31 March 2023</b>	<b>-</b>	<b>1,450,453</b>	<b>293,177</b>	<b>340,220</b>	<b>34,682</b>	<b>2,118,532</b>
<b>Net Book Value:</b>						
<b>At 31 March 2023</b>	<b>4,641,173</b>	<b>2,387,094</b>	<b>26,446</b>	<b>65,054</b>	<b>5,911</b>	<b>7,125,678</b>
At 31 March 2022	530,919	2,436,781	33,058	99,656	7,881	3,108,295

# THE MARTLETS HOSPICE LIMITED

## NOTES TO THE FINANCIAL STATEMENTS

### FOR THE YEAR ENDED 31 MARCH 2023

#### 13 INTANGIBLE FIXED ASSETS

	GROUP £	CHARITY £
<b><u>Website costs</u></b>		
<b>Cost:</b>		
At 1 April 2022	38,900	20,000
Additions	-	-
<b>At 31 March 2023</b>	<b>38,900</b>	<b>20,000</b>
<b>Depreciation:</b>		
At 1 April 2022	38,900	20,000
Charge for the year	-	-
<b>At 31 March 2023</b>	<b>38,900</b>	<b>20,000</b>
<b>Net Book Value:</b>		
<b>At 31 March 2023</b>	<b>-</b>	<b>-</b>
At 31 March 2022	-	-

#### 14 FIXED ASSET INVESTMENTS

	GROUP Listed Investments £	Subsidiary Investments £	CHARITY Listed Investments £	Total
<b>Cost:</b>				
At 1 April 2022	3,684,467	2	3,684,467	3,684,469
Additions	-	-	-	-
Disposals	(2,244,511)	-	(2,244,511)	(2,244,511)
Revaluations	(162,486)	-	(162,486)	(162,486)
Transfers	(1,277,470)	-	(1,277,470)	(1,277,470)
<b>At 31 March 2023</b>	<b>-</b>	<b>2</b>	<b>-</b>	<b>2</b>

At 31 March 2023, the historical cost of the listed investments was £Nil (2022: £3,206,090).

The subsidiary undertakings included as investment at the balance sheet date are:

Name of Company	Class of Shares	Holdings	Nature of Business
Martlets Care Limited	Ordinary	100%	Provides welfare services and care
The Martlets Trading Co Limited	Ordinary	100%	Retail sale of goods

# THE MARTLETS HOSPICE LIMITED

## NOTES TO THE FINANCIAL STATEMENTS

### FOR THE YEAR ENDED 31 MARCH 2023

#### 15 SUBSIDIARY COMPANIES

##### 15a Martlets Care Limited

The Hospice owns a subsidiary, Martlets Care Limited (company number 06250709).

	<b>2023</b>	<b>2022</b>
	<b>£</b>	<b>£</b>
<b>Income statement</b>		
Turnover	837,049	954,075
Cost of sales	(563,943)	(642,554)
<b>Gross profit</b>	<b>273,106</b>	<b>311,521</b>
Operating expenses	(220,503)	(206,561)
Other operating income	8,907	53,703
<b>Net profit</b>	<b>61,510</b>	<b>158,663</b>
Gift aid donated to hospice	-	(64,257)
<b>Profit for the financial year being the retained profit</b>	<b>61,510</b>	<b>94,406</b>
<b>Balance sheet</b>		
	<b>2023</b>	<b>2022</b>
	<b>£</b>	<b>£</b>
Assets	445,032	313,311
Liabilities	(386,403)	(157,529)
<b>Net assets</b>	<b>58,629</b>	<b>155,782</b>
<b>Represented by:</b>		
Capital	1	1
Reserves	58,628	155,781
	<b>58,629</b>	<b>155,782</b>

##### 15b The Martlets Trading Co Limited

The Hospice owns a subsidiary, The Martlets Trading Co Limited (company number 04557282).

	<b>2023</b>	<b>2022</b>
	<b>£</b>	<b>£</b>
<b>Income statement</b>		
Turnover	1,660,179	1,460,579
Cost of sales	(36,568)	(31,567)
<b>Gross profit</b>	<b>1,623,611</b>	<b>1,429,012</b>
Operating expenses	(1,457,286)	(1,291,178)
Other operating income	30,103	82,347
Interest receivable		294
<b>(Loss)/ Profit before tax</b>	<b>196,428</b>	<b>220,475</b>
Taxation	-	-
<b>Net loss</b>	<b>196,428</b>	<b>220,475</b>
Gift aid donated to hospice	-	-
<b>Loss for the financial year</b>	<b>196,428</b>	<b>220,475</b>

# THE MARTLETS HOSPICE LIMITED

## NOTES TO THE FINANCIAL STATEMENTS

### FOR THE YEAR ENDED 31 MARCH 2023

#### 15b Martlets Tading Co Limited (continued)

<b>Balance sheet</b>	<b>2023</b>	<b>2022</b>
	<b>£</b>	<b>£</b>
Assets	394,710	229,688
Liabilities	(394,709)	(352,259)
<b>Net assets</b>	<u>1</u>	<u>(122,571)</u>
<b>Represented by:</b>		
Capital	1	1
Reserves	-	(122,572)
	<u>1</u>	<u>(122,571)</u>

16. STOCK	<b>GROUP</b>		<b>CHARITY</b>	
	<b>2023</b>	<b>2022</b>	<b>2023</b>	<b>2022</b>
	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>
Shop stock	<u>30,977</u>	<u>15,162</u>	<u>-</u>	<u>-</u>

17 DEBTORS	<b>GROUP</b>		<b>CHARITY</b>	
	<b>2023</b>	<b>2022</b>	<b>2023</b>	<b>2022</b>
	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>
Trade debtors	670,879	533,502	443,338	353,031
Amounts due from group companies	-	-	582,433	318,431
Prepayments and accrued income	1,414,430	2,721,404	1,168,952	2,535,328
Social security and other taxes	467,941	66,420	447,033	47,633
Corporation Tax Recoverable	-	-	-	-
Other debtors	34,780	15,545	16,700	427
	<u>2,588,029</u>	<u>3,336,871</u>	<u>2,658,456</u>	<u>3,254,850</u>

Included within prepayments and accrued income is legacy income receivable of £1,175,426 (2022: £2,632,900) due to the Charity.

Included in the Charity total above is £nil (2022: £nil) of debtors due after 1 year.

#### 18 CREDITORS: Amounts falling due within one year

	<b>GROUP</b>		<b>CHARITY</b>	
	<b>2023</b>	<b>2022</b>	<b>2023</b>	<b>2022</b>
	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>
Trade creditors	811,194	128,643	798,040	121,044
Accruals and deferred income	579,431	766,817	546,677	704,960
Social security and other taxes	159,371	181,902	141,822	155,162
Other creditors	196,742	154,342	124,611	105,843
	<u>1,746,739</u>	<u>1,231,704</u>	<u>1,611,150</u>	<u>1,087,009</u>

# THE MARTLETS HOSPICE LIMITED

## NOTES TO THE FINANCIAL STATEMENTS

### FOR THE YEAR ENDED 31 MARCH 2023

#### 18 CREDITORS: Amounts falling due within one year (continued)

Deferred income	GROUP £	CHARITY £
Balance as at 1 April 2022	431,129	411,760
Movement in the year	(13,617)	(16,911)
Balance as at 31 March 2023	<u>417,512</u>	<u>394,849</u>

A fixed charge is registered at Companies House in favour of Barclays Bank Plc in respect of an overdraft held by the Charity.

#### 19 CREDITORS: Amounts falling due after 1 year.

	GROUP		CHARITY	
	2023 £	2022 £	2023 £	2022 £
Other creditors	43,008	50,577	-	10,734
	<u>43,008</u>	<u>50,577</u>	<u>-</u>	<u>10,734</u>

#### 20 PENSION COMMITMENTS

The Charity operated three pension schemes during the year on behalf of its employees.

- NHS Superannuation Scheme
- Federated Flexiplan
- Royal London

Contributions to each scheme are charged to the Statement of Financial Activities as they arise.

Royal London: This is a defined contribution scheme. The assets of the scheme are held separately from Group in a fund independently administered by Royal London and the assets and liabilities of the scheme are therefore represented in the Group accounts.

NHS Superannuation Scheme: The Group makes contributions to the scheme for nursing and medical staff. The scheme is an approved multi-employer scheme and, as such, the Group is not able to identify its share of the assets or of the potential liability it may have to the scheme at the balance sheet date.

Federated Flexiplan: The Group also historically operated a Federated Flexiplan Scheme. The Federated Flexiplan No.1 ("the Plan") is a defined benefit pension scheme. It is a "last person standing scheme" which means that all participating employers are joint and severally liable for the Plan's liabilities. However, because of the non-associated multi-employer nature of the Plan, the Company does not have sufficient information available, in particular to identify its share of the underlying assets and liabilities of the Plan, to use defined benefit accounting. As such as as permitted by FRS 102, it accounts for the Plan as if it were a defined contribution scheme. There were no contributions into the scheme during the accounting period.

Members of the Plan are entitled to benefit on either a "Pensions Capital" or "Target Pension" basis. Under the Pensions Capital basis, contributions paid by and in respect of members are accumulated up to retirement and then used to secure benefits for the member. Under the Target Pension basis, members receive a defined pension at retirement based on length of service in the Plan and their Pensionable Salary at date of leaving. The Plan is closed to new members and to future accrual of benefits.

The Scheme Trustee entered a buy-in covering the full scheme liabilities with an insurer in February 2017 and confirms that the transition to achieve full buy-out has been finalised during the financial year 2019-20. There are no further legal or financial obligations to the Scheme.

# THE MARTLETS HOSPICE LIMITED

## NOTES TO THE FINANCIAL STATEMENTS

### FOR THE YEAR ENDED 31 MARCH 2023

#### 20 PENSION COMMITMENTS (continued)

The total contributions made by the Group were as follows:

	GROUP		CHARITY	
	2023 £	2022 £	2023 £	2022 £
Martlets Group Personal Pension Plans	278,774	232,248	228,025	194,879
NHS Defined Benefit Scheme	234,765	228,898	234,765	228,898
	<u>513,539</u>	<u>461,146</u>	<u>462,790</u>	<u>423,777</u>

Total contributions outstanding at the year-end amounted to £79,653 (2022: £77,476) for the Group and Charity.

#### 21 RESERVES

	At 1 April 2022 £	Income £	Expenditure £	Transfers £	At 31 March 2023 £
<b>Unrestricted funds</b>					
General funds	5,936,495	8,101,503	(11,741,440)	-	2,296,558
<b>Restricted funds</b>					
<u>Capital Funds</u>					
Hospice Development	1,312,278	-	(26,246)	-	1,286,032
Renaissance Project	258,169	-	(5,163)	-	253,006
Renovations Fund	23,059	-	(461)	-	22,598
Gateways to Care Project	47,572	-	(951)	-	46,621
IPU Equipment	14,336	-	(2,867)	-	11,469
MBE Project	35,000	676,163	-	-	711,163
	<u>1,690,414</u>	<u>676,163</u>	<u>(35,688)</u>	<u>-</u>	<u>2,330,889</u>
<u>Revenue Funds</u>					
Carers Project	-	31,895	(25,395)	-	6,500
Hospice at Home	3,000	20,000	(17,000)	-	6,000
IPU	635	-	(635)	-	-
Valerie Emily Munday Day Centre Trust	8,310	-	(8,310)	-	-
Heads On Charity/ NHS Charities Together	8,000	7,200	(8,000)	-	7,200
Other	5,150	18,536	(4,418)	-	19,268
	<u>25,095</u>	<u>77,631</u>	<u>(63,758)</u>	<u>-</u>	<u>38,968</u>
<b>Total restricted funds</b>	1,715,509	753,794	(99,446)	-	2,369,857
<b>Designated funds</b>					
Hospice Development	7,000,000	-	-	-	7,000,000
<b>Total funds</b>	<u>14,652,004</u>	<u>8,855,297</u>	<u>(11,840,886)</u>	<u>-</u>	<u>11,666,415</u>

#### Restricted funds

Transfers to and from capital restricted funds relate to a correction made to align net book values of assets funded with restricted fund balances shown.

#### Hospice Development

This asset fund represents the Hospice building. It appears as a restricted fund because the original capital appeal to build the Hospice was conducted by MacMillan Cancer Support. On completion the asset was then given to the Charity with the restriction that it was to be used only as a Hospice. The expenditure shown during the year represents depreciation and rent paid to the NHS who owns the land. The Hospice building is also represented in our fixed asset schedule.

#### Renaissance Project

A capital grant was provided by NHS England in 2013 to create new day service facilities including a café and three multi-functional rooms. Improvements were also made to our main entrance and drugs room. Additional sums were raised from charitable trusts. The expenditure in the year represents depreciation on capital assets forming part of the appeal.

# THE MARTLETS HOSPICE LIMITED

## NOTES TO THE FINANCIAL STATEMENTS

### FOR THE YEAR ENDED 31 MARCH 2023

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#### 21 RESERVES (continued)

##### **Restricted funds (continued)**

###### Renovation Fund

The Martlets Hospice has embarked on building works to reconfigure the rear entrance to the building to enhance the passage and experience for patients entering the inpatient unit.

###### Gateway to Care Project

A capital grant was provided by the Department of Health in 2008 to refurbish our Reception and Day Hospice facilities. The expenditure represents depreciation on capital assets forming part of the appeal.

###### IPU Equipment

IPU equipment was purchased from a restricted donation in 2019.

###### MBE Project

Funds have been received which are restricted to the Martlets Building Enhancement Project. This project will, in its first phase, result in the build of a new Inpatient Unit.

###### Carers Project

The Ernest Kleinwort Charitable Trust has awarded a grant to Martlets to deliver a project that aims to provide better support for Carers.

###### Hospice at Home

This cash fund represents our Hospice at Home service and shows the income and expenditure of restricted grants and donations in the year.

###### IPU

This fund represents income and expenditure of restricted grants towards our in-patient unit.

###### Heads on Charity/ NHS Charities Together

A £100,000 grant was awarded to Sussex hospices from Heads On Charity/NHS Charities Together to support clinical nurse specialists caring for people at end of life in their own homes. Martlets Hospice is the lead charity responsible for delivering the project and distributing the grant amongst the 7 Sussex Hospices. The project term is 1 year from 1 November 2021 to 31 October 2022 but the grant is payable over a longer 3 financial year term - 2021 to 2024.

###### Others

These cash funds represent the income and expenditure of restricted donations made during the year for various purposes.

##### **Designated funds**

###### Hospice Development

This fund represents funds set aside by Trustees to be used to partially fund the planned Martlets Building Enhancement project.

# THE MARTLETS HOSPICE LIMITED

## NOTES TO THE FINANCIAL STATEMENTS

### FOR THE YEAR ENDED 31 MARCH 2023

#### 22 ANALYSIS OF NET ASSETS

##### As at 31 March 2023

	<b>GROUP</b>			
	<b>Fixed assets</b>	<b>Fixed asset investments</b>	<b>Other net assets</b>	<b>Total</b>
	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>
Unrestricted Funds	5,459,133	-	(3,162,575)	2,296,558
Restricted Funds	1,687,984	-	681,873	2,369,857
Designated Funds	-	1,500,000	5,500,000	7,000,000
	<u>7,147,117</u>	<u>1,500,000</u>	<u>3,019,298</u>	<u>11,666,415</u>

	<b>CHARITY</b>			
	<b>Fixed assets</b>	<b>Fixed asset investments</b>	<b>Other net assets</b>	<b>Total</b>
	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>
Unrestricted Funds	5,441,210	-	(3,062,660)	2,378,550
Restricted Funds	1,684,468	-	685,389	2,369,857
Designated Funds	-	1,500,002	5,499,998	7,000,000
	<u>7,125,678</u>	<u>1,500,002</u>	<u>3,122,727</u>	<u>11,748,407</u>

##### As at 31 March 2022

	<b>GROUP</b>			
	<b>Fixed assets</b>	<b>Fixed asset investments</b>	<b>Other net assets</b>	<b>Total</b>
	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>
Unrestricted Funds	1,415,244	-	4,521,251	5,936,495
Restricted Funds	1,724,725	-	(9,216)	1,715,509
Designated Funds	-	5,809,675	1,190,325	7,000,000
	<u>3,139,969</u>	<u>5,809,675</u>	<u>5,702,360</u>	<u>14,652,004</u>

	<b>CHARITY</b>			
	<b>Fixed assets</b>	<b>Fixed asset investments</b>	<b>Other net assets</b>	<b>Total</b>
	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>
Unrestricted Funds	1,388,258	-	4,515,023	5,903,281
Restricted Funds	1,720,037	-	(4,528)	1,715,509
Designated Funds	-	5,269,677	1,730,323	7,000,000
	<u>3,108,295</u>	<u>5,269,677</u>	<u>6,240,818</u>	<u>14,618,790</u>

# THE MARTLETS HOSPICE LIMITED

## NOTES TO THE FINANCIAL STATEMENTS

### FOR THE YEAR ENDED 31 MARCH 2023

#### 23 SHARE CAPITAL

The company has no share capital and is limited by guarantee.

#### 24 RECONCILIATION OF NET INCOME/(EXPENDITURE) TO NET CASH FLOW FROM OPERATING ACTIVITIES

	2023 £	2022 £
<b>Net income/(expenditure) for the reporting period</b>	(2,985,588)	322,703
<b>Adjustments for:</b>		
Depreciation of tangible fixed assets	126,260	127,095
Amortisation of intangible fixed assets	-	8,000
Losses/(Gains) on investments	162,486	(214,367)
Revaluation of investment properties	85,208	(275,208)
Investment income	(180,718)	(153,709)
(Increase)/ decrease in stocks	(15,365)	(450)
(Increase)/decrease in debtors	748,842	846,051
Increase/(decrease) in creditors	500,925	(201,462)
<b>Net cash provided by/(used in) operating activities</b>	<u>(1,557,950)</u>	<u>458,653</u>

#### 25 ANALYSIS OF CASH AND CASH EQUIVALENTS

Cash in hand	2,190,038	3,638,698
<b>Total cash and cash equivalents</b>	<u>2,190,038</u>	<u>3,638,698</u>

#### 26 OPERATING LEASES

At 31st March the Group had annual commitments under operating leases as set out below:

	2023 £	2022 £
Within 1 year	739,948	195,832
Between 2 and 5 years	335,092	458,102
After five years	1,701,800	1,730,200
	<u>2,776,840</u>	<u>2,384,134</u>

# THE MARTLETS HOSPICE LIMITED

## NOTES TO THE FINANCIAL STATEMENTS

### FOR THE YEAR ENDED 31 MARCH 2023

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#### 27 RELATED PARTY TRANSACTIONS

##### GROUP

There were no related party transactions in the year.

##### CHARITY

During the year Martlets Care Limited declared a gift aid payment of £158,663 (2022: £64,257) to The Martlets Hospice Limited, its parent company. At the year end £298,269 (2022: £70,494) was outstanding from the company. This balance includes a loan of £258,000 due to The Martlets Hospice Limited, payable by 31 March 2024. Interest of 0.75% per annum above LIBOR is payable on the loan balance.

During the year The Martlets Trading Co Limited declared a gift aid payment of £Nil (2022: £22,130) to The Martlets Hospice Limited, its parent company. During the year, rent payments totalling £12,000 were made to The Martlets Hospice Limited, its parent company. At the year end £284,164 (2022: £247,937) was outstanding from the company. This balance includes a loan of £235,000 due to The Martlets Hospice Limited, payable after 31 March 2024. Interest of 0.75% per annum above LIBOR is payable on the loan balance.

#### 28 CAPITAL COMMITMENTS

Amounts contracted for but not provided in the financial statements:

	2023 £	2022 £
Acquisition of assets under construction	4,868,913	-
	<u>4,868,913</u>	<u>-</u>

#### 29 POST BALANCE SHEET EVENTS

Following the balance sheet date, all four of the remaining investment properties were sold. The investment properties have been revalued downwards to reflect the change in post year end market value.



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