The Martlets Hospice Limited

Directors' and Trustees' Report and Financial Statements

for the year ended 31st March 2015

Company Registration Number	2326410
Charity Number	802145

Lucraft, Hodgson & Dawes LLP - Chartered Accountants and Registered Auditors

The Martlets Hospice Limited

Company and charity information

Directors and Trustees	Mr Michael Edwards	*Chairman*
	Mr John Powell *JP FCA*	*Hon Treasurer*
	Mr Kevin Smyth	*Company Secretary*
	Mr Alan Bedford *MA BA Dip Crim CQSW*	*Resigned 31 July 2014*
	Ms Christine D'Cruz *MA*	
	Dr Matthew Fletcher *MS D.Obst RCOG FRCS*	
	Mr Harry Richard Knight	
	Ms Ann Norman	
	Ms Lynne Spencer	
	Mr Ian Wilson *MCI Arb*	
	Mr Robin Wilson *FCA DChA*	*Resigned 8 October 2014*
Finance Committee	Mr John Powell	*Chairman*
	Ms Sally Brighton	*Appointed 27 April 2015*
	Mr Bobby Dhoi	*Appointed 1 October 2014*
	Mr Michael Edwards	
	Ms Imelda Glackin	
	Mr Robert Griffiths	*Retired 24 March 2015*
	Mrs Michelle Kirk	*Maternity leave from 30 September 2014*
	Mrs Karen Taylor	
Company secretary	Mr Kevin Smyth	
Company number	2326410	
Charity number	802145	
Registered office	Wayfield Avenue Hove East Sussex BN3 7LW	
Bankers	Barclays Bank Plc 139/142 North Street Hove East Sussex BN1 1RU	Lloyds Banking Group Plc 74/78 Church Road Hove East Sussex BN3 2EE
Investment Advisors	Rathbone Brothers Plc 1 Northgate Chichester West Sussex PO19 1AT	
Auditors	Lucraft Hodgson & Dawes LLP 2/4 Ash Lane Rustington West Sussex BN16 3BZ	

The Martlets Hospice Limited
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The Martlets Hospice Limited

Report of the Directors and Trustees (Incorporating the Strategic Report)

Background

The Martlets Hospice Limited ("The Martlets" or "The Hospice" or "The Charity") is constituted as a company limited by guarantee, and governed by its Memorandum and Articles of Association. The Hospice opened on 1st April 1997 and was formed from the merger of Coppercliff Hospice, the MacMillan Day Hospice Limited and the Tarner Home. This report covers the 18th year of operations, April 2014 to March 2015.

Objectives of the Charity and Principal Activities and Organisation of Our Work

The Martlets Hospice Limited is an adult hospice serving the population in and around Brighton and Hove.

The objects of the Charity are to provide end of life care and palliative care by establishing, maintaining and conducting an in-patient unit and Hospice at Home service for the reception and care of adults who are suffering from serious illness where a cure is no longer possible. The trustees and directors 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 Charity achieves these objectives by:

- Providing care which is free at the point of delivery to adults with serious and life threatening illness on the basis of medical need alone,
- Operating an 18-bedded in-patient unit which provides acute symptom control, continuing-care for complex longer term conditions, respite and end-of-life care,
- Operating a Hospice at Home service which takes skilled hands-on hospice care into people's homes,
- Operating a respite service which supports the carers of patients at home,
- Providing a bereavement service for relatives and carers operating a learning and development service which trains and equips the Martlets Hospice staff, volunteers, external charities and NHS professionals,
- Providing a range of day services for patients and carers, to support their health and wellbeing. This includes complementary therapies, a rehabilitation programme, welfare benefits advice, and more recently a community choir which is open to staff, patients, carers and volunteers,
- Working in partnership with other charities and the NHS to extend and maximise its reach and impact.

By focusing on these areas we achieve our strategic priorities of maintaining a high level of care for the individuals who access the services we provide.

The Structure of the Hospice

The Martlets Hospice Limited is governed by a Board of Directors who are all Trustees.
There are two wholly-owned subsidiary companies, The Martlets Trading Co Limited and Martlets Care Limited, both have been established to provide income for the Charity and have their own duly elected boards of directors.

Services

Clinical Services
All the clinical services work very closely together to enable the best care can be given to patients and their families. One of the key tools to enable this is the electronic patient record data base that all clinical services utilise. This enables good timely communication between teams who are often caring for the same patient at the same time. A real benefit of the electronic patient record data base is that the on-call Palliative Care Consultants, in real time, have access to the patient records at home which assists them when giving advice or making decisions about a patients care.

The Palliative Care Partnership and Hospice at Home
The Hospice at Home service provides community support for palliative and end of life care patients in their own homes. The team consists of 10 nurses and five nursing auxiliaries who provide a visiting service seven days a week. The Hospice at Home service is part of the wider Palliative Care Partnership, which along with the Sussex Community NHS Trust Community Palliative Care Team, provides 24 hour telephone support and palliative care advice to patients, families and professionals. In the financial year the Hospice at Home team supported 305 end of life and 54 respite patients, making 3,736 face to face visits and 7,667 telephone calls. (2013-2014: 377 patients, 2,908 visits, 6,071 telephone phone calls). In 2014-2015 the Palliative Care Partnership supported 1,061 patients of which 17% had a non-cancer diagnosis.

Bereavement Service
The bereavement service forms part of the Patient and Family Support Team, and consists of four part time qualified counsellors available for one to one counselling and trained bereavement volunteers who visit people in the community. In the year 154 clients were seen by the bereavement service with an average support length of just under 4 months. The bereavement service is currently developing to support community clients that are not known to the Hospice but are known to our partners, the Sussex Community NHS Trust Community Palliative Care Team.

Day Services
Martlets Day Services began in April 2014 and provides supportive care for palliative patients and their carers living at home. Services include acupuncture clinics, art therapy, a welfare benefits advice clinic, various complementary therapies, legal clinic, rehabilitation clinic and gym, reminiscence groups, pamper suite and our community choir. 145 people were seen in Day Services in its first year, including 105 patients and 40 carers. The Welfare Benefits service is a partnership between the Charity, Age UK Brighton and Hove and Macmillan Cancer Support and Sussex Community Trust. The Welfare Benefits service comes under the umbrella of the Day Services and provides welfare benefits advice and support through clinics at the Hospice or home visits.

In-Patient
The 18 bed in-patient unit is staffed by 34 trained nurses and 18 nursing auxiliaries. The bed occupancy rate remains consistently high at 83.4% compared with the national average of 79%. In the year 275 patients were admitted to the in-patient unit and the average length of stay was 17 days. 84% of patients had a diagnosis of cancer with the remaining 16% with conditions such as motor neurone disease, heart failure and chronic respiratory disease. The in-patient unit has two beds available for continuing health care funded palliative patients. These patients are unable to be cared for either at home or in another health care setting such as a nursing home and will stay at the Hospice. On the in-patient unit there is also a bookable respite bed. The provision of a respite bed has proved to be very popular and supports carers in their valuable role as full time care givers in the community by giving them a short break from their caring role.

Clinical Governance
Good Clinical Governance is essential to maintain high quality, responsive, effective and safe care for patients and their families. There is a Clinical Governance Group that oversees governance issues and monitors the quality of our care. The Charity has completed a number of clinical audits in the year that form part of the annual audit programme. The monitoring and reporting of the results of these audits, as well as the implementation of recommended actions, ensures that care delivery is safe and effective. The Charity also successfully completed the NHS information governance toolkit consisting of information governance standards that an organisation measures itself against to ensure good practice.

Clinical Strategy
The Clinical Strategy Group was formed early in 2015. The group is multidisciplinary and consists of representatives throughout the Charity, including Trustees. The objective of this group is to identify the key clinical developments needed to support palliative and end of life patients within our community over the next five years.

Education & Training

The Martlets continues to ensure that as the experts in palliative and end of life care in Brighton and Hove we access, deliver and research best practice both internally and externally. The learning and development team deliver the training and expertise to equip Hospice staff and volunteers, as well as hospital and community workers, to deliver the highest quality of care to patients with life limiting diseases and their families. It also works closely with the volunteer and fundraising teams to educate the local community about the work of the Hospice in order to generate income and to attract volunteers.

The FundRaising Standards Board

The Hospice is a member of The FundRaising Standards Board. Membership confirms our commitment to the highest standards of fundraising practice. As a result our donors and potential donors are able to give to the Hospice with confidence that we apply best practice with recourse to our complaints procedure if they are not satisfied with us.

During the year we received five complaints relating to direct mail and lottery canvassing. All of the complaints were resolved satisfactorily

FRSB
FundRaising
Standards Board

give with confidence

Volunteers

The Charity could not deliver its extensive services without the invaluable assistance of over 600 registered volunteers. Their duties are many and varied ranging from facilitating fundraising events, gardening, driving patients to and from appointments and supporting retail sales in the shops, the warehouse and in e-commerce sales. The volunteers are supported by the Hospice through training, development programmes and ongoing communication forums.

Investment and Reserves Policy

- The Hospice aims to have unrestricted reserves of the equivalent of 12 months of normal revenue expenditure.
- At 31st March 2015 this has been reached with unrestricted reserves of £5,020,809, approaching 12.5 months of running costs. This compares to prior year of £4,084,958, the equivalent of 10 months running costs.
- These reserves are exclusively for ensuring an uninterrupted level of service and in order to give confidence to patients, relatives, staff, suppliers, donors and supporters of the Charity that the Hospice is financially viable.
- Should unrestricted reserves fall below the level of three months normal revenue expenditure the Trustees would take advice on the most appropriate way of proceeding.
- These reserves are in addition to restricted and designated funds.
- Unrestricted cash reserves in excess of four months normal revenue expenditure are optimised through means of fixed term deposits and managed investment funds.
- Fixed term deposits are supplied by Close Brothers Limited, Investec Bank PLC and Lloyds Bank PLC, the use of such variable suppliers depending on the best rates available.
- Within the financial year investments previously managed by Charles Stanley & Co Limited have been closed. The proceeds from these funds have been moved to a new brokerage account with Rathbone Investment Management Limited. Additional available reserves were also passed to Rathbones. The objective of the investment fund placement by the Charity has retained, that is to provide capital growth over the medium to long term, defined as five to ten years.

The Hospice regularly reviews its investments and reserves policy through careful monitoring by the Finance Committee, which reports to the full Board of Trustees. The last review was completed in April 2015.

Contingent Liability and Provisions

The following information refers to liability and provisions made in financial periods prior to April 2014.

The Federated Flexiplan No.1 ("the Plan") is a defined benefit pension scheme. However, because of the non-associated multi-employer nature of the Plan the Company is unable to identify its share of the underlying assets and liabilities of the Plan on a consistent and reasonable basis and therefore, as permitted by FRS 17 "Retirement Benefits", it has accounted for the Plan as if it were a defined contribution scheme. The scheme has been closed to new employees.

The Plan closed to further accrual in January 2010 and following two Court hearings, for interpretation of the Plan rules, the entitlement of members has been definitively established. An actuarial valuation at 31 March 2009 revealed a significant deficit and a consequent recovery plan required the Company to contribute £43,582 for the three years commencing 1st April 2010 in respect of its share of the deficit. The actuarial valuation, at 31 March 2012 indicated that the overall deficit at that date was approximately £17.6 million.

Following the outcome of the Court case the Trustee of the Plan proposed to adjust each employer's liability in the new Recovery Plan to reflect the extent to which each employer has either underpaid or overpaid contributions during the course of the existing Recovery Plan. Estimations advised that the Company was required to pay £47,126 per annum for three years from 1st April 2014 and £49,339 per annum for two years from 1st April 2017 as its share of the deficit.

The Trustees approved the recovery plan outlined above and the Company has followed the payment plans proposed. The next actuarial valuation has been suggested at June 2016.

Tangible Fixed Assets for use by the Charity

Details of movements in Fixed Assets are set out in note 13 to the Accounts.

Structure, Governance and Management

Trustees' Succession Planning

The Directors of The Martlets Hospice Ltd have agreed a succession policy, which rests on the principle of Directors, apart from the Treasurer and Secretary, serving up to a maximum of three multiples of three years each, followed by standing down for at least a year. The Board, against the criteria of a skills matrix, appoints new Directors. All new Directors (including all existing ones) receive a full day's induction at the time of appointment. Further training is provided as appropriate to the individual roles of the Directors.

Trustees' Training

All new Trustees receive an induction process and a personal guide to being a Hospice Trustee. On an ongoing basis Trustees receive updates and information sessions on different aspects of their work as the need arises. An annual off site meeting presents the Trustees with the opportunity to review the organisational strategy and receive more in-depth information and training sessions. The board have engaged an external agency to facilitate a review of the current board and best practice. The outcome of the review has been very positive and a more comprehensive Trustees appraisal and review model is currently being implemented.

Directors and Trustees

All Directors of the Company are also Trustees and there are no other Trustees. The Board has the power to appoint additional Trustees as it considers fit to do so.

Strategic Report

Achievements during the 2014 -15 Year

Income generation
The year ended with an excess of income over expenditure of £765,425 compared to £2,464,595 last year. Last year was an exceptional result due to significant legacy income of £2,933,222. While legacies over the two years have contributed significant yet unpredictable income there has been a consistent drive to leverage other core revenue streams within the Charity and its donating subsidiaries to fund the core community services offered by the Hospice.

Legacies
Legacies although unpredictable in nature realised income of £1,746,459 of which £213,342 was received after 31st March 2015 yet notified prior to that date. This compares to £2,933,222 received in the prior financial year.

Fundraising
The Charity continued to build relationships with both existing and new supporters living in the local community. The Charity ran a number of initiatives to encourage in memory giving including the Forget Me Not Walk and Light up a Life events maintaining relationships with family and friends in memory of people cared for by the Martlets. The Charity also developed a regular giving campaign and major donor projects including the new Welcome Gallery bricks scheme.

Successful events programmes have continued to attract support including challenge events and sponsored walks. The Charity also supported groups of fund raisers in the workplace, schools, colleges and churches acting on the Charities behalf.

Key support in fundraising includes successful partnerships with corporate organisations Legal & General, Southern Railway and The Lloyds Banking Group and trusts and foundations including groups such as the freemasons, rotaries and lions.

Lottery
The lottery had another very successful year generating a net profit of £432,413, a 16% increase on the £372,255 generated in the prior year. An incremental 2,675 new members joined the lottery within the financial year helping total membership to close at 13,280, a 9% increase on the previous year.

The Martlets Trading Co Limited
The Martlets Trading Co Limited is a wholly owned subsidiary of The Martlets Hospice Limited primarily selling donated goods through nine retail outlets and through ecommerce. The subsidiary donated £131,863 to the Charity compared to £10,933 in the prior year. The Trading Company continues to work with the Donated Goods Gift Aid Scheme, whereby donated goods are sold on behalf of the Hospice to reclaim Gift Aid raising £478,735 although 12% lower than £545,722 raised in prior year. Total turnover within the financial year increased by 2% including all trading activities and this included the launch of a new house clearing service.

Martlets Care Limited
Martlets Care Limited is also a wholly owned subsidiary of the Martlets Hospice Limited providing domiciliary care in and around the Brighton and Hove area to clients including private funders and Brighton and Hove City Council funded clients, Martlets Care has a successful year producing £1,263,289 of revenue, an increase of 16% on the prior year allowing a charitable contribution to the Hospice of £127,930 compared to £78,676 last year.

Financial Position

The Statement of Financial Activities shows a net surplus for the year of £765,425, while not to the levels of prior year of £2,464,595 generated by exceptional legacies, still a significant financial contribution to maintain the sustainability of community services for Brighton and Hove.

Successful legacy income and other core income streams over the last two financial years have enabled the Charity to reach the required reserves policy of unrestricted reserves covering 12 months running costs. This has been excellent news knowing that financial stability can sustain services for the longer term while sustaining effort on optimising existing and creating new revenue streams to fund the future. Such reserves are continually analysed by leadership and trustees to also ensure that return on reserves can serve the Charity best.

Risk Management Processes

Employees, Leadership and Trustees all play a significant role in the risk assessment of the Charity and its subsidiaries. Formal committees also play a vital role such as The Finance Committee as a sub-committee of the Board and the Clinical Governance Committee, both of which report to the full board.

During the year the following activities were undertaken:

- A risk register was maintained by the Leadership Team to review a balanced range of activities across the organisation and create mitigation tools to identify risk based on scoring.
- Continuous analysis of the external economic and political environment by the Leadership Team. Output has been factored into updated business plans for the organisation.
- A Disaster Recovery and Business Continuation plan has been put in place for the organisation.
- Financial planning has been continually assessed, monthly through management reporting while then complemented by periodic financial forecasts assessing full year positions for employees, leadership and Trustees to manage as appropriate.
- Finance based policies have been enhanced or created to ensure all employees play a key role in prolonging the income available for utilisation and continual review for large contracts to ensure the best interests of the Charity are continually assessed.
- Clinical Risk has been analysed by the clinicians who make up the Clinical Governance Group.
- Health and Safety has increased in employee hours to continually assess compliance and risk while complemented through quarterly Health and Safety Committees. Training continues to play a prominent role to ensuring employees and volunteers are educated on such topics to mitigate risk.
- Staff recruitment is vitally important to the Charity and challenges continue to exist especially in the recruitment of nursing staff. Risk has been managed here by the Charities own Human Resources department. In addition The Martlets has been proud to sign up to the living wage for its existing and potential employees.
- Policies and procedures, clinical guidelines and protocols are designed to manage risks. Such policies are checked regularly for compliance and relevance to accommodate internal and external changes to the environment and practice.
- The Whistle Blowing Policy is highlighted as part of the induction of all new staff and volunteers.

Future plans for 2015-16

For the new financial year organisational goals will focus on goals surrounding a customer perspective, financial dynamics, internal processes and employee learning and growth.

Customer
The objective is to increase the community reach of services, through established services such as in-patient bed occupancy and the growing day services. This will be supported by increased collaboration with existing and new community partners to increase awareness of services provided by the Charity.

Finance
Maximising income will be key to enabling sustainable service delivery and development across the Charity and the subsidiaries. For the subsidiaries, revenue growth will come in the form of a new and exciting retail outlet for the Trading Company while penetrating potential care services and packages for the Care subsidiary. There will also be increased reporting capabilities for employees to help manage revenue and expenditure thus stretching valuable incoming revenue sources.

Learning and Growth
The learning and development of employees and volunteers is and will continue to be a core component of delivering on activities for the Charity and its subsidiaries. Existing programmes will be enhanced and new training programmes delivered, both clinical and non-clinical subjects to add to the education and capabilities of staff and volunteers.

Statement of Trustees' Responsibilities

The directors are responsible for preparing the Directors' Report and the financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). Under company law the directors 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 company and of the profit or loss of the company for that period. In preparing these financial statements, the directors are required to;

- Select suitable accounting policies and then apply them consistently.
- Make judgements and accounting estimates that are reasonable and prudent.
- Prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.
- State whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the company's transactions and disclose with reasonable accuracy at any time the financial position of the company 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 company 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 efficiently and effectively.
- Its assets are safeguarded against unauthorised use or disposition.
- Proper records are maintained and financial information used within the Charity or for external publication is reliable.
- The Charity complies with relevant laws and regulations.
- 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 miss-statement 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.
- Identification and management of risk.

The Directors and Trustees Report incorporating the strategic report was approved by the Board of Trustees on 30th July 2015 and signed on its behalf by:

Michael Edwards –Chairman

Kevin Smyth - Secretary

The Martlets Hospice Limited

Independent auditors report to the members and trustees of The Martlets Hospice Limited

We have audited the financial statements of The Martlets Hospice Limited for the year ended 31 March 2015 which comprise the consolidated statement of financial activities, the consolidated and parent charitable company balance sheets, the consolidated cash flow statement and the related notes 1 to 29. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice)

Respective responsibilities of trustees and auditor

As explained more fully in the Trustees' Responsibilities Statement set out on page 9 the charity's trustees, who are also the directors of The Martlets Hospice Limited for the purposes of company law, are responsible for preparing the Annual Report and the financial statements and for being satisfied that they give a true and fair view.

We have been appointed as auditors under the Companies Act 2006 and section 151 of the Charities Act 2011 and report in accordance with those Acts. Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board (APB's) Ethical Standards for Auditors.

Scope of the audit of the financial statements

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of: whether the accounting policies are appropriate to the charitable company's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the trustees; and the overall presentation of the financial statements.

In addition, we read all the financial and non-financial information in the Annual Report to identify material inconsistencies with the audited financial statements. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

Opinion on financial statements

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 2015 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 Companies Act 2006 and the Charities Act 2011.

Opinion on other matter prescribed by the Companies Act 2006

In our opinion 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.

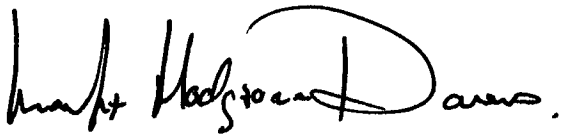
The Martlets Hospice Limited

Independent auditors report to the members and trustees of The Martlets Hospice Limited

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters where the Companies Act 2006 and the Charities Act 2011 requires us to report to you if, in our opinion:

- the parent charitable company has not kept adequate and sufficient accounting records, or returns adequate for our audit have not been received from branches not visited by us; or
- the parent charitable company 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



Guy Butterworth ACA Senior Statutory Auditor
for and on behalf of
Lucraft Hodgson & Dawes LLP
Chartered Accountants and Statutory Auditor
2/4 Ash Lane
Rustington
West Sussex BN16 3BZ

Date 14/03/2015

The Martlets Hospice Limited

Statement of Financial Activities

(incorporating an Income and Expenditure account)

for the year ended 31 March 2015

	Notes	Restricted funds £	Unrestricted funds £	2015 £	2014 £
Incoming resources					
Incoming resources from Generated Funds					
Voluntary income:					
Donations and gifts	2	154,106	2,859,003	3,013,109	4,325,118
Activities for generating funds:					
Commercial trading and fund raising	3	1,182	3,938,363	3,939,545	3,844,854
Other income	6	-	41,368	41,368	24,634
Investment income	5	-	38,557	38,557	33,837
		155,287	**6,877,292**	**7,032,579**	**8,228,443**
Incoming resources from charitable activities:					
Operating activities	4	18,835	1,521,179	1,540,014	1,902,107
Total incoming resources		**174,122**	**8,398,471**	**8,572,593**	**10,130,550**
Resources expended					
Costs of generating funds:					
Commercial trading and fund raising	8	2,600	3,185,157	3,187,757	3,188,657
Charitable activities					
Hospice running costs	7	341,948	3,717,695	4,059,643	3,935,703
Governance costs					
Administration	9	-	591,305	591,305	538,254
Total Resources Expended		**344,548**	**7,494,157**	**7,838,705**	**7,662,614**
Net incoming resources before transfers		(170,426)	904,314	733,888	2,467,936
Gains and losses on investments					
Realised gains and losses on investments	10	-	4,413	4,413	9,567
Transfer between funds	21	-	-	-	-
Net Income for the year		(170,426)	908,727	738,301	2,477,503
Unrealised gains and losses on investments	10	-	27,124	27,124	(12,908)
Net Incoming resources		(170,426)	935,851	765,425	2,464,595
Fund balances at 1 April 2014		2,740,625	4,084,958	6,825,583	4,360,988
Fund balances at 31 March 2015		**2,570,199**	**5,020,809**	**7,591,008**	**6,825,583**

There were no recognised gains or losses of 2015 or 2014 other than those in the statement of financial activities

All amounts relate to continuing operations

The notes 1 to 29 form an integral part of the consolidated accounts

The Martlets Hospice Limited

Balance Sheet
As at 31 March 2015

	Notes	Group 2015 £	Group 2014 £	Charity 2015 £	Charity 2014 £
Fixed Assets					
Tangible assets	13	2,673,896	2,757,116	2,642,632	2,720,218
Investments	14	1,983,279	278,570	1,983,281	278,572
		4,657,175	**3,035,686**	**4,625,913**	**2,998,790**
Current assets					
Stocks	15	24,172	25,394	-	-
Debtors	16	597,812	1,408,749	790,328	1,471,537
Cash at bank and in hand		3,203,278	3,413,235	2,833,785	3,240,479
		3,825,262	**4,847,378**	**3,624,113**	**4,712,016**
Creditors:					
Amounts falling due within one year	17	698,499	817,425	482,337	664,478
Net current assets		**3,126,763**	**4,029,953**	**3,141,776**	**4,047,538**
Defined benefit scheme liability					
Net liabilities including pension liabilities	23	(192,930)	(240,056)	(192,930)	(240,056)
Net assets		**7,591,008**	**6,825,583**	**7,574,759**	**6,806,272**
Capital					
Restricted funds	22	2,570,199	2,740,625	2,570,199	2,740,625
Unrestricted funds					
General funds		5,020,809	4,084,958	5,004,560	4,065,647
		7,591,008	**6,825,583**	**7,574,759**	**6,806,272**

Approved by the board of directors and trustees on 30 July 2015 and signed on its behalf by:

Michael Edwards
Trustee

John Powell
Trustee

Date: 30/07/2015

The notes 1 to 29 form part of these accounts.

The Martlets Hospice Limited

Company Cashflow Statement

for the year ended 31 March 2015

		2015 £	2014 £
Net cash inflow from operating activities	23	1,443,886	2,082,538
Returns on investment and servicing of finance		38,557	33,837
Capital expenditure	25	(1,692,400)	(432,096)
Management of liquid resources		-	-
Increase in cash		(209,957)	1,684,279

1 Accounting policies

1.1 Basis of preparation of accounts

The accounts are prepared under the historical cost convention except when accounting for listed investments where the investments are carried at market value. The financial statements include the results of the charity's operations which are described in the Directors' and Trustees' Report, all of which are continuing.

The financial statements have been prepared in accordance with Statement of Recommended Practice - Accounting and Reporting by Charities (SORP 2005) issued March 2005, applicable Accounting Standards and the Companies Act 2006.

The charity has taken advantage of the special provisions available and adapted the Companies Act formats to reflect the special nature of the charity's activities.

1.2 Depreciation

Depreciation is calculated to write down the cost or valuation less estimated residual value of all tangible fixed assets other than freehold land over their expected useful lives. The rates and periods generally applicable are:

Leasehold buildings	2%	- on the reducing balance method
Motor vehicles	25%	- on the reducing balance method
Furniture and equipment	20%	- on the reducing balance method
	15%	- on the reducing balance method
Computer equipment	30%	- straight line basis
	25%	- straight line basis

1.3 Income

Voluntary income and donations are accounted for as received by the charity. The income from fund raising ventures is shown gross, with the associated costs included in fund raising costs. The value of voluntary work is not included in the financial statements

Grants are recognised in full in the Statement of Financial Activities in the year in which they are receivable. Grants for the purchase of fixed assets are credited to restricted incoming resources when they are receivable. Where the use of the asset is restricted , depreciation is charged against the restricted fund. Where the use of the asset is not restricted it is transferred to the general fund.

All donations and other forms of voluntary income are recorded on a cash received basis. Other income, including investment income, is recorded on an accruals basis. Legacies and residues from estates are included in the accounts when they satisfy the following criteria:

Entitlement	- actual receipt or legally enforceable right to receipt
Certainty	- reasonable certainty of receipt
Measurement	- the monetary value can be sufficiently and reliably measured

Legacies received as equities are valued as advised by investment managers

Gifts in kind are valued at market value and included in donations

No permanent endowments have been received in the period, but these are dealt with through the Statement of Financial Activities when received.

1.4 Restricted funds

Donations, bequests or incoming resources for which the donor has earmarked for a specific purpose are treated as restricted funds. These funds may be income only (where the capital must be retained) or income and capital (where the donation and the income there from may be utilised).

1.5 Designated funds

The Martlets Hospice Limited may at its discretion set aside funds for specific purposes which would otherwise form part of the general reserves of the Charity.

1.6 Unrestricted funds

Funds which are expendable at the discretion of the Trustees in the furtherance of the objects of the charity.

1.7 Investments

Investments are stated at market value. Realised and unrealised gains and losses on investments are dealt with in the Statement of Financial Activities.

Investment income plus associated tax recoverable is credited to income on an accruals basis, using dates of payment for dividends, and daily accrual for interest.

1.8 Leased Assets

Assets held under finance leases and hire purchase contracts are capitalised in the Balance Sheet and depreciated over their expected useful lives. The interest element of leasing payments represents a constant proportion of the outstanding capital.

All other leases are regarded as operating leases and the payments made under them are charged to the Statement of Financial Activities on a straight line basis over the lease term.

1.9 Fund raising costs

Fund raising expenditure comprises costs incurred in inducing people and organisations to contribute financially to the charity's work. This includes the cost of advertising for donations and the staging of special events.

1.10 Expenditure on management and administration of the charity

Administration expenditure includes all expenditure not directly related to the charitable activity or fund raising ventures. This includes costs of maintaining office premises, staff salaries and audit fees. Where costs include a direct charitable element, together with an element of management or administration such cost has been apportioned between the cost centres.

1.11 Stocks

The stock represents unused medical supplies and trading stock at the balance sheet date and is stated at the lower of cost or net realisable value.

1.12 Pension costs

The charity operates a defined contribution pension scheme for its staff. The costs charged in the financial statements represent the amounts payable to the scheme for the accounting period.

The Charity is one of a number of participating employers in the National Health Service Pension Scheme. It is, therefore, not possible to allocate any actuarial surplus or deficit and consequently, contribution to the National Health Service Pension Scheme are charged to the SOFA 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.

The Charity is one of a number of employers contributing to the Federated Flexiplan No1 Pension Scheme. This is a multi-employer scheme where the assets and liabilities of the scheme applicable to each employer are not seperately identifiable. Therefore, the pension charge recorded in these accounts is the amount of contributions payable on a defined contribution basis in the accounting year in accordance with FRS 17.

1.13 Cost allocation

Where possible, costs have been allocated directly to the activity to which they relate. However, there are also shared support costs that enable the Group's charitable, income generating and administrative activities to be undertaken. These costs have been allocated to the Group's activities using appropriate cost drivers as follows:

staff numbers for Administration, human resources, information management and facilities costs

floor area for maintenance costs; and

direct costs for finance charges.

1.14 Taxation

The charity is exempt from taxation on its income and capital gains applied for charitable purposes.

2 Donations and gifts

	Restricted £	Unrestricted £	2015 £	2014 £
Patient related donations	-	190,851	190,851	290,590
Legacies	-	1,746,458	1,746,458	2,933,222
General donations from individuals	64,980	282,905	347,885	335,434
Corporate donations	-	66,442	66,442	38,624
Donated goods gift aid scheme	-	478,735	478,735	545,722
Charitable Trust donations	89,126	93,612	182,738	181,526
	154,106	**2,859,003**	**3,013,109**	**4,325,118**

3 Commercial trading and fundraising

	Restricted £	Unrestricted £	2015 £	2014 £
Function and event receipts	1,182	462,837	464,019	585,105
Income from shops and trading activity	-	2,823,865	2,823,865	2,634,037
Collection boxes	-	23,179	23,179	29,558
Hospice Lottery	-	628,482	628,482	596,154
	1,182	**3,938,363**	**3,939,545**	**3,844,854**

4 Operating activities

	Restricted £	Unrestricted £	2015 £	2014 £
Activities in the furtherance of the charity's objectives				
Rent receivable	-	46,207	46,207	19,250
Primary Care Trust	-	988,369	988,369	1,356,378
Hospice@Home grant	18,835	304,178	323,013	304,178
Continuing care	-	106,368	106,368	108,936
Other grants	-	31,016	31,016	31,037
Other services	-	45,041	45,041	82,328
	18,835	**1,521,179**	**1,540,014**	**1,902,107**

5 Investment income

	Restricted £	Unrestricted £	2015 £	2014 £
Income from listed investments	-	10,378	10,378	7,270
Income from cash deposits	-	28,179	28,179	26,567
	-	**38,557**	**38,557**	**33,837**

Investment income was wholly generated from UK sources.

6 Other income

	Restricted £	Unrestricted £	2015 £	2014 £
Recharged costs	-	32,330	32,330	13,820
Sundry income	-	9,038	9,038	10,814
	-	**41,368**	**41,368**	**24,634**

7 Hospice running costs

	Restricted £	Unrestricted £	2015 £	2014 £
Staff costs	223,886	2,841,524	3,065,410	2,924,107
Hospice purchases	2,867	337,948	340,815	339,079
Medical costs	16,950	113,051	130,001	132,002
Hospice insurance	455	13,168	13,623	11,141
Printing and stationery	-	13,181	13,181	17,291
Patient transport	-	520	520	2,662
Travel costs	2,789	10,740	13,529	10,949
Uniforms and staff clothing	-	3,726	3,726	5,927
Conferences and training	7,553	43,650	51,203	51,278
Rent	-	25,400	25,400	25,400
Rates	-	21,444	21,444	21,727
Light and heat	-	44,573	44,573	45,013
Depreciation	65,364	27,327	92,691	94,133
Maintenance and repairs	21,313	175,643	196,956	215,544
Sundry expenses	770	45,801	46,571	5,462
Loss on disposal of fixed assets	-	-	-	33,988
	341,948	**3,717,695**	**4,059,643**	**3,935,703**

8 Commercial trading and fundraising

	Restricted £	Unrestricted £	2015 £	2014 £
Staff costs	-	456,105	456,105	377,284
Trading company costs	-	114,473	114,473	136,791
Martlets Trading Co staff costs	-	728,111	728,111	812,885
Martlets Care staff costs	-	786,866	786,866	664,373
Shop insurance	-	18,526	18,526	19,711
Travel	-	1,547	1,547	1,072
Motor and transport	-	89,848	89,848	94,429
Rent and rates	-	270,232	270,232	249,475
Repairs and renewals	-	108,030	108,030	77,588
Hospice lottery costs	-	196,069	196,069	223,929
Telephone	-	25,956	25,956	25,586
Printing and stationery	-	82,071	82,071	92,956
Commission on gift aided donated goods	-	4,642	4,642	5,436
Other commissions	-	16,413	16,413	12,196
Conferences and training	-	18,359	18,359	11,530
Bank charges	-	49,480	49,480	49,859
Bad and doubtful debts		-	-	25,631
Light and heat	-	21,901	21,901	30,971
Investment management fees	-	2,108	2,108	3,428
Legal and professional fees	-	24,735	24,735	16,165
Direct fundraising costs	2,600	94,266	96,866	139,738
Depreciation	-	9,756	9,756	11,450
Loss on disposal of fixed assets	-	-	-	61
Sundry expenses	-	10,798	10,798	8,240
Advertising and promotion	-	54,865	54,865	97,873
	2,600	**3,185,157**	**3,187,757**	**3,188,657**

9 Administration

	Restricted £	Unrestricted £	2015 £	2014 £
Wages and salaries	-	499,044	499,044	433,656
Printing and stationery	-	6,635	6,635	3,077
Advertising	-	3,734	3,734	4,611
Insurance	-	-	-	45
Legal and professional fees	-	13,379	13,379	41,273
Auditors remuneration	-	15,620	15,620	16,210
Conference and training	-	3,127	3,127	5,492
Service contracts	-	8,780	8,780	18,796
Repairs and renewals	-	-	-	348
Travel	-	2,530	2,530	1,169
General expenses	-	38,456	38,456	13,577
	-	**591,305**	**591,305**	**538,254**

10 Gains and losses on Investments

	Restricted £	Unrestricted £	2015 £	2014 £
(Losses)/gains on managed funds	-	31,443	31,443	(2,102)
(Losses)/gains on listed securities	-	94	94	(1,239)
	-	**31,537**	**31,537**	**(3,341)**

	Restricted £	Unrestricted £	2015 £	2014 £
Realised (losses)/gains on investments	-	4,413	4,413	9,567
Unrealised (losses)/gains on investments	-	27,124	27,124	(12,908)
	-	**31,537**	**31,537**	**(3,341)**

11 Surplus for the year

The surplus for the year is stated after charging:

	2015 £	2014 £
Depreciation on tangible fixed assets and profits or losses on disposal		
- Owned	102,447	105,583
Operating lease rentals		
- Land and buildings	322,600	257,600
Auditors remuneration - Audit services	15,620	16,210

12 Staff costs

The staff costs, including staff employed under a contract with the South Downs Health NHS Trust, were:

	2015 £	2014 £
Wages and salaries	4,449,407	4,196,712
Social security costs	313,221	318,526
Pension costs	202,292	138,404
NHS Trust - Contract staff	570,615	558,663
	5,535,536	**5,212,305**

The average weekly number of staff employed by the group during the year was as follows:

	2015 £	2014 £
Direct charitable activities	72	70
Administration	30	14
Fundraising & Trading	10	8
Martlets Care Limited	36	38
Martlets Trading Co Limited	39	39

The number of employees who received emoluments excluding pension contributions in the following ranges was:

	2015 £	2014 £
£70,001 - £80,000	-	1

Remuneration of Trustees'

13 Tangible fixed assets
Charity

	Leasehold buildings	Furniture and equipment	Computer equipment	Total
	£	£	£	£
Cost				
At 1 April 2014	3,220,750	332,888	90,762	3,644,400
Additions	2,400	1,686	11,018	15,104
Disposals	-	-	-	-
At 31 March 2015	**3,223,150**	**334,574**	**101,780**	**3,659,504**
Depreciation				
At 1 April 2014	671,304	176,019	76,858	924,181
Provision for year	50,651	31,655	10,385	92,691
Eliminated on disposal	-	-	-	-
At 31 March 2015	**721,955**	**207,674**	**87,243**	**1,016,872**
Net book values				
At 31 March 2015	2,501,195	126,900	14,537	2,642,632
At 31 March 2014	2,549,446	156,869	13,904	2,720,219

Net book value of Tangible assets

The net book value of fixed assets are applied:

Restricted funds	**2,169,767**	**71,162**	**6,679**	**2,247,608**
Unrestricted funds	**331,428**	**55,738**	**7,858**	**395,024**

Tangible fixed assets
Group

	Motor Vehicles	Leasehold buildings	Furniture and equipment	Computer equipment	Total
	£	£	£	£	£
Cost					
At 1 April 2014	45,735	3,220,750	359,928	118,051	3,744,464
Additions	-	2,400	4,726	12,101	19,227
Disposals	-	-	-	-	-
At 31 March 2015	**45,735**	**3,223,150**	**364,654**	**130,152**	**3,763,691**
Depreciation					
At 1 April 2014	31,075	671,304	187,683	97,286	987,348
Provision for year	3,665	50,651	33,999	14,132	102,447
Eliminated on disposal	-	-	-	-	-
At 31 March 2015	**34,740**	**721,955**	**221,682**	**111,418**	**1,089,795**
Net book values					
At 31 March 2015	10,995	2,501,195	142,972	18,734	2,673,896
At 31 March 2014	14,660	2,549,446	172,245	20,765	2,757,116

Net book value of Tangible assets

The net book value of fixed assets are applied:

Restricted funds	**-**	**2,169,767**	**71,162**	**6,679**	**2,247,608**
Unrestricted funds	**10,995**	**331,428**	**71,810**	**12,055**	**415,293**

14 Investments

Investments are held primarily to provide an investment return for the charity

Charity

Listed investments	Fixed Interest £	Equity £	Total £
Cost/Valuation			
At 1 April 2014	-	278,570	278,570
Additions	-	2,021,647	2,021,647
Revaluations	-	13,863	13,863
Disposals	-	(330,801)	(330,801)
At 31 March 2015	-	1,983,279	**1,983,279**
At 31 March 2014	-	278,570	278,570
Historic cost of investments at 31 March 2015		**1,969,417**	**1,969,417**
Historic cost of investments at 31 March 2014	-	*291,831*	*291,831*

Investments in Subsidiaries	**2015**	**2014**
Martlets Care Limited		
Brought forward historic cost	1	1
Martlets Trading Co Limited		
Brought forward historic cost	1	1
Carried forward	**2**	**2**

The entire share capital of Martlets Care Limited and The Martlets Trading Co Limitedis owned by The Martlets Hospice Limited and the results of the subsidiaries are consolidated within these financial statements.

All companies were incorporated in England and Wales and the aggregate assets and liabilities as at 31 March 2015 were as follows

	2015	**2014**
Martlets Trading Co Limited	12,811	14,527
Martlets Care Limited	3,438	4,785
Carried forward	**16,249**	**19,312**

Investments
Group

Listed investments	Fixed Interest £	Equity £	Total £
Cost/Valuation			
At 1 April 2014	-	278,570	278,570
Additions	-	2,021,647	2,021,647
Revaluations	-	13,863	13,863
Disposals	-	(330,801)	(330,801)
At 31 March 2015	**-**	**1,983,279**	**1,983,279**
At 31 March 2014	-	278,570	278,570
Historic cost of investments at 31 March 2015	**-**	**1,969,417**	**1,969,417**
Historic cost of investments at 31 March 2014	-	*291,831*	*291,831*

15 Stocks

	Group 2015 £	Group 2014 £	Charity 2015 £	Charity 2014 £
Trade stock	24,172	25,394	-	-
	24,172	**25,394**	-	-

16 Debtors

	Group 2015 £	Group 2014 £	Charity 2015 £	Charity 2014 £
Debtors	98,781	319,392	65,689	264,758
Gift aid receivable	26,492	45,636	26,492	45,636
Other debtors	20,277	10,294	842	-
Amounts due from subsidiary undertakings	-	-	117,453	154,929
Prepayments and accrued income	452,262	1,033,427	579,852	1,006,214
	597,812	**1,408,749**	**790,328**	**1,471,537**

17 Creditors: amounts due within one year

	Group 2015 £	Group 2014 £	Charity 2015 £	Charity 2014 £
Trade creditors	203,148	153,312	146,273	123,927
Social security and other taxes	95,499	100,747	69,694	67,632
Other creditors	115,049	104,928	43,500	30,696
Accruals	284,803	458,438	222,870	442,223
	698,499	**817,425**	**482,337**	**664,478**

18 Commitments

As at 31 March 2015 the group had annual commitments under non cancellable operating leases as follows:

	2015		2014	
	Land and Buildings £	Other £	Land and Buildings £	Other £
Within one year	60,200	-	40,200	-
Between two and five years	180,500	-	86,000	-
After five years	81,900	-	131,400	-

19 Analysis of net assets between funds

	Restricted £	Unrestricted £	2015 £	2014 £
Tangible fixed assets	2,247,608	415,293	2,662,901	2,757,116
Investments	-	1,983,279	1,983,279	278,570
Net current assets	322,591	2,955,214	3,277,805	4,122,874
Non current liabilities	-	(332,977)	(332,977)	(332,977)
Total net assets	**2,570,199**	**5,020,809**	**7,591,008**	**6,825,583**

20 Movement in funds

	Restricted £	Unrestricted £	2015 £	2014 £
Fund balances brought forward	2,740,625	4,084,958	6,825,583	4,360,988
Net movement in funds	(170,426)	935,851	765,425	2,464,595
Fund balances carried forward	**2,570,199**	**5,020,809**	**7,591,008**	**6,825,583**

21 Analysis of restricted funds

The income funds of the charity include funds comprising the following unexpended balances of donations and grants held on trust to be applied for specific purposes:

	1 April 2014 £	Incoming resources £	Outgoing resources £	Fund transfers £	31 March 2015 £
Hospice development	1,552,646	-	48,596	-	1,504,050
Hospice running costs	93,578	83,037	81,324	-	95,290
Patient transport appeal	1,004	-	640	-	364
Refreshing Spaces	274,450	-	5,070	-	269,380
Gateways to Care Project	100,296	-	1,118	-	99,178
Thompson training fund	194,588	-	20,000	-	174,588
Cooper training fund	-	35,000	24,205	-	10,795
Hospice@Home	137,137	35,146	144,333	-	27,950
Specific Donations	4,436	17,940	8,476	-	13,900
Renaissance Project	382,490	1,000	8,786	-	374,704
Syringe Driver Servicing	-	2,000	2,000	-	-
	2,740,625	**174,122**	**344,548**	**-**	**2,570,199**

22 Analysis of restricted funds

Hospice Development Fund

This asset fund represents the Hospice building and land. 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 own the land. The Hospice building is also represented in our fixed assets schedule

Hospice Running Costs

This cash fund represents the income and expenditure of restricted grants and donations made during the year for equipment and care costs

Patient Transport Appeal

This fund represents restricted grants and donations made to facilitate the transport of patients as appropriate by Hospice–owned minibus, private ambulances, taxis or other means. With the closure of the Day Hospice, the Hospice minibus was disposed of. The balance on the fund will be utilised to provide appropriate patient transport by other means.

Refreshing Spaces

A capital grant was provided by the Department of Health in 2011 to refurbish our InPatient Unit and to build a new spiritual space and patient activity room. Additional sums were raised from private individuals. The outgoing resources represent depreciation on capital assets forming part of the appeal.

Gateways To Care

A capital grant was provided by the Department of Health in 2008 to refurbish our reception and day hospice facilities. The outgoing resources represent depreciation on capital assets forming part of the appeal.

The Thompson Fund Training Endowment

This is a cash endowment fund built with donations from The Thompson Fund during 2006 and 2007. It is restricted to supporting training activities at the Hospice. The endowment is being utilised over a 12 year period to support the training requirements of the Hospice.

Hospice @ Home

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

Specific Donations

This cash fund represents the income and expenditure of restricted donations made during the year for staff entertainments and other benefits.

Renaissance Project

A capital grant was provided by NHS England in 2013 to create new day services 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 outgoing resources represent depreciation on capital assets forming part of the appeal.

Syringe Driver Servicing

This fund represents monies advanced from the February Foundation which was utilised to assist in the costs of servicing syringe drivers at the Hospice.

23 Reconciliation of changes in Resources to Net Cash Inflow from operating activities

	2015 £	2014 £
Changes in resources before revaluation	738,301	2,477,503
Depreciation	102,448	105,583
Loss on disposal of fixed assets	(4,413)	24,421
Increase/(decrease) in creditors	(118,926)	300,165
(Increase)/decrease in debtors	810,937	(713,723)
Decrease in stocks	1,222	15,347
(Decrease) in provisions	(47,126)	(92,921)
Investment income	(38,557)	(33,837)
	1,443,886	**2,082,538**

24 Net cash flow to movement in net funds

	2015 £	2014 £
Increase in cash in the year	(209,957)	1,684,279
Net funds at 1 April 2014	3,413,235	1,728,956
Net funds at 31 March 2015	**3,203,278**	**3,413,235**

25 Capital expenditure

	2015 £	2014 £
Purchase of tangible fixed assets and investments	(2,040,874)	(537,733)
Sale of tangible fixed assets and investments	348,474	105,637
Net cash outflow for capital expenditure	**(1,692,400)**	**(432,096)**

25 Analysis of net funds

	1 April 2014 £	Cash flows £	Other changes £	31 March 2015 £
Cash in hand	3,413,235	(209,957)	-	3,203,278
	3,413,235	**(209,957)**	**-**	**3,203,278**

26 Pension schemes

The company operates four pension schemes for its employees, two defined contribution schemes administered by Friends Provident and Scottish Life, a Federated Flexiplan scheme and the NHS Superannuation Scheme.

Friends Life

This is a defined contribution The assets of the scheme are held separately from those of the company in a fund independently administered by Friends Life and the assets and liabilities of the scheme are therefore not represented in the company's accounts.

Scottish Life

This is a defined contribution The assets of the scheme are held separately from those of the company in a fund independently administered by Scottish Life and the assets and liabilities of the scheme are therefore not represented in the company's accounts.

Federated Flexiplan Scheme

'The Federated Flexiplan No.1 ("the Plan") is a defined benefit pension scheme. However, because of the non associated multi-employer nature of the Plan the Company is unable to identify its share of the underlying assets and liabilities of the Plan on a consistent and reasonable basis and therefore, as permitted by FRS 17 "Retirement Benefits", it has accounted for the Plan as if it were a defined contribution scheme. The scheme has been closed to new employees and contributions made are in accordance with the approved recovery plan of the scheme.

The Plan closed to further accrual in January 2010 and following two Court hearings, for interpretation of the Plan rules, the entitlement of members has been definitively established. An actuarial valuation at 31 March 2009 revealed a significant deficit and a consequent recovery plan required the Company to contribute £43,582 for the three years commencing 1st April 2010 in respect of its share of the deficit.

The actuarial valuation at 31 March 2012, is now finalised and indicates that the overall deficit at that date is approximately £17.6 million. In line with the approach used for the 2009 valuation, the basis used to calculate the deficit was chosen to produce a level for the liabilities which was anticipated to be broadly in line with the cost of securing the Plan benefits with an insurer.

Following the outcome of the Court case the Trustee of the Plan proposes to adjust each employer's liability in the new Recovery Plan to reflect the extent to which each employer has either underpaid or overpaid contributions during the course of the existing Recovery Plan. In a letter from the Trustee dated 3 May 2013 it is estimated that the Company will be required to pay £47,126 per annum for three years from 1st April 2014 and £49,339 per annum for two years from 1st April 2017 as its share of the deficit.

The next formal triennial actuarial valuation, which is due at 31 March 2015, may result in a revised Recovery Plan which in turn may change the amount the Company is required to contribute for its share of the deficit.

The trustees consider it prudent to align the provision in line with the recovery plan outlined above and provided for the best estimate of the total remaining liability in previous accounts. The level of provision will be reviewed as more information becomes available.

27 Pension schemes

NHS Superannuation Scheme

The group also makes contributions to the NHS Superannuation Scheme for nursing and medical staff. The NHS Superannuation Scheme is an approved multi-employer scheme and, as such, the charity 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. Contributions payable in the accounting period are charged to the statement of financial activities as they fall due.

The total contributions made by the charity and the group were as follows:

	Group 2015 £	Group 2014 £	Charity 2015 £	Charity 2014 £
The Martlets Pension Scheme	-	(49,339)	-	(49,339)
Martlets Group Personal Pension Plan	164,038	151,731	127,083	140,298
NHS Defined Benefit Scheme	38,253	36,012	38,253	36,012
	202,291	**138,404**	**165,336**	**126,971**

Total Contributions unpaid at the year end amounted to £31,801 for the group (2014: £20,200) and £31,801 for the charity (2014: £20,200). These amounts are included in other creditors.

The contributions to The Martlets Pension Scheme decreased the previous year as the charity overprovided for its total liability in the 2013 accounts.

28 Transactions with Directors

Legal services

Legal services were provided by Dean Wilson LLP, Mr I Wilson, a trustee of the charity was a partner in Dean Wilson LLP throughout the year. The value of services provided to the charity amounted to £8,427 (2014: £2,929) and were carried out on a commercial basis. An amount of £3,072 remained unpaid at the year end (2014: £nil).

Insurance services

Insurance services were provided to the company by The Care Home Insurance Service, a company in which Mr D Waters (a director of The Martlets Trading Co Limited) has a material interest. The value of services provided to the charity were £15,772 (2014: £14,502). The services are provided on normal commercial terms and an amount of £nil remained unpaid at the year end (2014: £nil).

Other

In the previois year, marketing and design services were provided to the group by The Knight Company Limited, Mr H R Knight, a trustee of the charity, was both a director and shareholder of this company through out the year. No services were provided this year (2014: £1,239), and no amounts remained outstanding at the year end (2014: £nil).

29 Subsidiary companies

The charity owns the whole of the issued ordinary share capital of The Martlets Trading Co Limited and Martlets Care Limited. These subsidiaries are used for non-primary purpose trading activities.

For the year under review the Martlets Trading Company was involved in the operation of retail outlets and Martlets Care provided agency bank staff to the Martlets Hospice and other external parties. The total net profit available is gifted to the charity when available. Corporate income is treated as donations. A summary of results for The Martlets Trading Co Limited and Martlets Care Limited are shown below:

The Martlets Trading Co Limited

	2015 £	2014 £
Turnover	1,560,576	1,541,853
Cost of sales	(339,520)	(369,933)
Gross profit	**1,221,056**	**1,171,920**
Administration expenses	(1,131,566)	(1,204,660)
Other income	39,550	39,550
Interest receivable	678	493
Donations to the Martlets Hospice	(131,863)	(10,933)
Operating profit	**(2,145)**	**(3,630)**
Interest payable and similar charges		
Profit before tax	**(2,145)**	**(3,630)**
Taxation	429	726
Profit for the financial year	**(1,716)**	**(2,904)**

In the year The Hospice continued the Donated Goods Gift Aid Scheme, whereby donated goods were sold by The Martlets Trading Company on behalf of the Hospice. This scheme raised £477,826 (2014: £545,722) which included the gift aid reclaimed by the charity in the year. These amounts are included as income under Donations and gifts.

Martlets Care Limited

	2015 £	2014 £
Turnover	1,263,289	1,092,184
Cost of sales	(841,266)	(727,418)
Gross profit	**422,023**	**364,766**
Administration expenses	(295,892)	(287,077)
Interest receivable	116	171
Donations to the Martlets Hospice	(127,930)	(78,131)
Operating profit	**(1,683)**	**(271)**
Interest payable and similar charges	-	-
Profit before tax	**(1,683)**	**(271)**
Taxation	336	66
Profit for the financial year	**(1,347)**	**(205)**