



# THE MARTLETS HOSPICE LIMITED

## LEGAL AND ADMINISTRATIVE INFORMATION

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### Directors and Trustees

Michael Bedingfield		Committee	4
Karen Blatchford			4
Rebecca Crook			1,3
Bec Davison			5
Barry Egan			5
Matthew Fletcher	<i>Retired July 2020</i>		1,2
Mansoor Foroughi	<i>Appointed December 2019</i>		2
Giles Ings			1,6
Yasmin Khan	<i>Retired October 2019</i>		1,2
Wayne Murray			4,6
Helen Greany	<i>Appointed December 2019</i>		1
Juliet Smith, <i>Chairperson</i>			
Jake Standing, <i>Treasurer</i>			3
Duncan Stewart			2
Christopher Thomas, <i>Secretary</i>			1,3

### Committees

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

### Leadership Team

Imelda Glackin, Chief Executive Officer	All
Simone Ali, Medical Director	2
Sally Brighton, Director of Income Generation	1,3,4,6
Bobby Dhol, Director of Finance and Support Services	1,3,4,6
Sharon Howes, Director of People Services	5
Karen Taylor, Director of Clinical Services	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

TC Group  
The Courtyard, Shoreham Road  
Upper Beeding, Steyning  
West Sussex  
BN44 3TN

### 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

## CONTENTS

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	<b>Page</b>
Trustees' Report Incorporating the Strategic Report	4 - 12
Statement of Trustees' Responsibilities	13
Independent Auditors' Report	14 - 16
Consolidated Statement of Financial Activities	17
Consolidated Balance Sheet	18
Charity Balance Sheet	19
Cash Flow Statement	20
Notes to the Accounts	21 - 41

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# **THE MARTLETS HOSPICE LIMITED**

## **TRUSTEES' REPORT, INCORPORATING THE STRATEGIC REPORT FOR THE YEAR ENDED 31 MARCH 2020**

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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 2020 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 2019 through to March 2020.

### **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 2020

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### Service Provisions

Martlets supported a total of 2,932 individuals in the financial year period, a 7% increase on the prior year. 54% of the individuals were patients receiving direct care or services while the remaining 46% were existing carers who received care for their relatives or patients to offer them respite from their efforts. The financial year period ended in March with the Coronavirus (COVID-19) pandemic sweeping globally and significantly impacting the activities of Martlets.

### COVID-19 Pandemic

COVID-19 presented Martlets with a range of challenges as communications indicated that a pandemic had started in March, with accelerated growth projected for the months to come. Martlets immediately reacted by devising contingent measures split between the impact on existing services and how to support the local healthcare settings during a pandemic.

#### Existing Services

For In-Patient Services and Community Services there was an immediate need to protect patients, staff and relatives and friends of our service users. Immediate changes within the Hospice were to restrict access to the building for non-clinical personnel and visitors to prevent the potential transmission of the virus. Procuring emergency stocks of Personal Protective Equipment (PPE) was a core part of ensuring the safety and protection of staff operating within the in-patient unit and those visiting patients in the community. While there were significant pressures in obtaining PPE at the start of the pandemic this did ease over time.

Day Services has been a growth service for Martlets, encouraging service users to engage in activities at the Hospice for physical, social, and mental well-being activities. As most of our existing and potential service users were in COVID-19 vulnerable categories such activities have ceased on site and have not recommenced. Virtual activity has replicated these activities in part by utilising teleconferencing technologies to create such sessions. The initial review of this data has revealed greater activity in the Support Services as they offered and delivered support and advice either over the phone or virtually. Face-to-face bereavement counselling ceased and has also been replaced by virtual teleconferencing tools.

#### Income Generation Activities and Support Services

The main impact on Income-generating and Support Services activities was to enable remote working to avoid any unnecessary travel in a lockdown environment. The adoption of remote technologies by Martlets staff has been truly transformational, utilising activity and tools to continue business and objectives as much as possible. Fundraising events for six months following the lockdown have been cancelled or postponed, both those organised by third parties and Martlets' own, and much of the planned community fundraising activity ceased. Door-to-door lottery canvassing stopped at the beginning of March. This has all resulted in lost voluntary income for the organisation. A Crisis Fundraising Appeal was launched in April to compensate for these losses and activity was shifted to fundraising promoted via social media.

#### Subsidiaries

Martlets Care, our domiciliary care agency has, where possible, continued to deliver some care by utilising PPE and newly adopted processes to keep all parties safe. The volume of agency hours has decreased by over 50% as clients opted to cancel their visits due to the global and national advice to reduce contact with people outside of one's immediate household. Like many national retail outlets, the Martlets Trading Company subsidiary was forced to immediately close all its retail outlets, thus ceasing any revenue generated from the shops. It should be noted that the individual accounts of the subsidiaries include a 'material uncertainty' paragraph in the Auditor's Report with reference to the impact of COVID-19 on the going concern of the companies. Martlets recognises the rationale for the 'material uncertainty' and is working on strategies to mitigate these.

#### Volunteers

Martlets could not deliver its services without the support of all our volunteers. With the closing of some activities and the need to reduce the movement of people, all voluntary activity has had to be suspended, primarily to protect the safety of our volunteers.

#### People Services

In clinical areas managers have supported staff, allowing them ways to feedback to alleviate pressures from adopting new ways of clinical working and the significant use of PPE. Clinical supervision and mindfulness have been increased for mental well-being with regular communications to reach all staff.



# THE MARTLETS HOSPICE LIMITED

## TRUSTEES' REPORT, INCORPORATING THE STRATEGIC REPORT FOR THE YEAR ENDED 31 MARCH 2020

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Due to COVID-19, Martlets supported staff in the workplace and those who immediately moved to work from home. Staff surveys supplied feedback through helping Martlets to stay informed and how best to support different challenges that existed in parts of the organisation. For those working from home, support included new and improved technology, issuance of desks and chairs, regular informal check-ins with staff and teleconferencing forums. Martlets was focused on ensuring a good work-life balance and, as part of that, encouraged the taking of a relevant proportion of annual leave by end June 2020.

Thorough risk assessments have been completed for those returning to on-site working after periods of home working, with particular focus on alleviating anxiety, ensuring infection control and meeting government requirements. Engaging staff and involving them in the planning has been integral to this return to work.

### Conclusions

COVID-19 has challenged Martlets across all departments. Despite this, there has been a will and resilience from all our teams to adapt and respond to the situation so that we can continue to provide the key services needed for patients and their families. The pandemic has offered new opportunities to innovate in a timeframe not considered before. From the immediate response of 'doing' will come the possibilities and successes that have been introduced as well as an appreciation that further development and modifications now need to be applied to ensure they are right and fit as we move forward.

While the pandemic began to impact in March, at the very end of the financial year, there was much activity that took place ahead of March.

## **Service Reporting and Highlights**

### In-Patient Services

The In-Patient Unit of 18 beds looked after 273 individuals, which was consistent with the 277 individuals seen in the prior year. Of the 273 patients, 71% died while the remaining 29% were discharged to their own homes or a care home. At 84%, cancer made up most of the diagnoses, consistent with 88% last year.

### Community Services

A total of 2,232 patients and carers utilised Martlets community services in the financial year. Community services include visits from our clinical nurse specialists and our Hospice at Home teams for direct patient care with the respite service looking after patients so that their existing carers can have a highly valued break from their own care services. The number of patients was a 9% increase over the prior year and we believe that the community continues to be the most significant growth area as we strive to take care of our service users in their desired place, which tends to be one's home.

### Telephony Helpline Services

Martlets supplies a telephone service offering advice and support to patients, carers as well as health and social care professionals 24 hours a day, 7 days a week. During the year 24,245 calls were received, a 3% increase over the prior year.

### Day Services and Outpatients

Outpatient services at Martlets consist of a range of different services including a clinical nurse specialist clinic, a doctor's clinic, acupuncture, complementary therapies, a rehabilitation clinic, welfare benefits support and various groups and events. The teams saw a total of 554 patients, a 3% increase on the prior year. A total of 2,670 face-to-face contacts were made, amounting to a 9% growth. This sector declined heavily during the exit of the year as it was unable to offer such face-to-face service delivery at the Hospice. However, this was replaced where possible with virtual teleconferencing capabilities.

### Bereavement Services

A total of 284 individuals have received 1,080 counselling sessions this year, an 8% and 9% increase respectively on last year. Our team of counsellors and bereavement volunteers have facilitated these sessions alongside social bereavement evenings, where individuals come to meet the Martlets team and other individuals who can share in their bereavement journey.

# THE MARTLETS HOSPICE LIMITED

## TRUSTEES' REPORT, INCORPORATING THE STRATEGIC REPORT FOR THE YEAR ENDED 31 MARCH 2020

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### Building a New In-Patient Unit

Martlets has made significant progress during the year on developing plans to build a new in-patient unit after concluding that the existing facility is not fit for the future. COVID-19 has further emphasised the need for Martlets to design an in-patient unit with individual en suite rooms for all patients, rather than the shared accommodation for eight of the current beds and shared bathing facilities for all. Martlets has now progressed with a range of professional consultants, including architects and building surveyors, to arrive at a small number of options that are being finalised to one recommended plan. A complementary plan of fundraising and the use of existing reserves is now being finalised to ensure that all the funding is in place to support the commencement of a build in 2021.

### **Support Services Highlights**

#### People Services

During the financial year the focus has been on the well-being of our staff, managing absence levels to below 3% prior to March. Various initiatives were introduced, including the improvement of the restroom environments with the Retail Distribution Centre, a well-being hub introduced by well-being champions. Staff have been supported to take their lunch breaks through a range of activity. A new Volunteering Strategy was launched in the financial year to develop new volunteer partnerships and forums to support key priorities and areas of the business that have emerged as most in need. The freedom-to-speak-up guardian has proved successful since its launch and continues to offer staff and volunteers a supportive place to raise concerns.

#### Information, Communications and Technology

The financial year has seen significant investment in infrastructure to support innovation and efficiency across various parts of the organisation. A 12-month project has commenced to deliver a new patient record system that will improve clinical efficiency and integrate better with the local healthcare environment outside of the Hospice. This project is scheduled to be ready in 2020. The retail division has invested in new point-of-sale equipment and software. While the hardware is far more intuitive for our employee and volunteer base, there is significant enhancement in data management. This enhances the quality of reporting while also creating efficiencies in the transfer of data; automated reclaim of Gift Aid on donated stock is an example of such efficiency. Our finance team have completed its first full year on a new Microsoft Business Central accounting platform that has proven to be a robust solution, especially during the COVID-19 period where remote cloud-based access was highly beneficial.

The use of teleconferencing capabilities has significantly increased across the organisation, notably during the commencement of the pandemic. This transformation has enabled continuity of services utilising existing software products such as Microsoft Teams and Zoom, which the Hospice was using prior to the pandemic and are now reaching record levels of use.

#### Health and Safety

Martlets launched its first automated software to record accidents, incidents and near misses within the financial year. The platform has led to a rise in near miss reporting as teams are encouraged to report more through the online tools. The information has furnished our teams with richer information from which to accelerate pre-emptive activities to create a safer working environment. The same system allows for richer governance reporting. The Martlets team conducted 13 Health and Safety and Environmental audits across nine organisational sites, recording positive progress and actions for managers to conclude on.

#### Data Protection and Governance

Following completion of adherence to General Data Protection Regulations in the prior financial year, Martlets has continued to focus on this subject. It has completed and complied with the Data Security and Protection Toolkit (DSPT) as issued by the National Health Service (NHS). Martlets has also reached certification for Cyber Essentials within the financial year. All data breaches are recorded and monitored in a new software system, with one breach reported to the Information Commissioner Office (ICO) as a precaution. The ICO were highly supportive and agreed there was no further action required.

# THE MARTLETS HOSPICE LIMITED

## TRUSTEES' REPORT, INCORPORATING THE STRATEGIC REPORT FOR THE YEAR ENDED 31 MARCH 2020

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### Income Generation

Donors to our Hospice can be assured that we comply with the regulatory standards for fundraising. 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. This report covers the requirements charities must follow as set out in the Charities Act 2016.

It has cost us £7,864k to provide our Hospice services this year. £2,651k, 34%, of this came from statutory funding, and we need to raise the balance through income-generating activities. Our fundraising effort involves encouraging donations and gifts in wills, running events, and operating a lottery. Our in-house Fundraising Team sometimes engage professional fundraisers to help us deliver fundraising initiatives. We aim to ensure those agencies we employ also observe the highest standards in terms of fundraising practice.

Martlets could not operate without the generosity of individuals, corporations and charitable trusts that support the Charity. These groups donated £1,425k, 13%, of income in the year, £316k, 28%, higher than the prior year, confirming the significant and gratifying activity from donors under the stewardship of the Fundraising Team. Legacy income was strong at £2,849k, albeit lower than the prior year. We received 65 legacy gifts in cash, ranging from £1,000 to over £500,000 and two residential properties that were retained as assets.

Appeals income was 52% up on target. However, nearly half of the appeals income was generated in March 2020, following the successful management and delivery of a crisis appeal in response to the impact of COVID-19. A total of 1,888 donors gave to Martlets during the year. Our major donor programme continued to flourish, and we ran our popular Halloween Ball, raising £75k net profit. We also received a donation to pay for two Cuddle Beds for the in-patient unit valued at £30k.

Trust income for the year was £179k. In January we submitted a successful £26k grant application to the Masonic Charitable Foundation and Hospice UK for a homelessness project. Ambassadors were an integral part to planning for our capital appeal and relationships continue to strengthen and be of benefit to Martlets. We saw continued success in the Brighton Half Marathon, which this year had a record number of runners. All Martlets-organised events exceeded their profit contribution versus the previous year with a final year profit of £95k.

Those participating in the Charity's lottery produced £726k of income, offering an alternative channel of charity giving, with nearly 7,000 people now playing our lottery.

Martlets are registered with the Fundraising Regulator and comply with all the relevant standards set out in the Code of Fundraising Practice. Several of our in-house fundraising team are members of the Institute of Fundraising. We are also members of the National Association of Hospice Fundraisers and the local Brighton and Hove Chamber of Commerce. Martlets uses third-party suppliers to help us raise funds, particularly where we do not have the expertise in-house, for example canvassing for lottery players. We have safeguards in place when working with suppliers so that we protect our supporters and the reputation of our Charity.

We ensure that the correct safeguards are in place with our suppliers and those who fundraise on our behalf. We require them to confirm that they comply with the Code of Fundraising Practice. The website outlines our complaints policy for the public and clearly explains how an individual can complain. Three complaints were received in the financial year, and all were resolved satisfactorily. Responses to all complaints were within 10 days and were dealt with in line with the complaints policy. More serious complaints are escalated to our Leadership Team and Trustees to consider lessons learnt.

Martlets are signed up to the Fundraising Preference Service to enable individuals to opt out of receiving fundraising communications from us. We had no notifications from this service last year. In addition to our policy we have an agreed operating procedure to protect vulnerable people. Our fundraisers (both staff and third party) are familiarised with the code of conduct to ensure that it is applied properly.



# **THE MARTLETS HOSPICE LIMITED**

## **TRUSTEES' REPORT, INCORPORATING THE STRATEGIC REPORT FOR THE YEAR ENDED 31 MARCH 2020**

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### Marketing and Communications

The year has seen Martlets continue to invest in digital communications. A new website has been built, with a clearer user journey and more technical capability than previously, and we have grown our followers by an additional 2,000 users across all social media platforms. Facebook donations continue to grow as a new income stream and Martlets has partnered with a social media agency to check our performance and gain new ideas. Going forward we will develop targets based on engagement rather than reach, build on work done on the new website to tweak content and continue to develop new and engaging content for our social audience.

Media coverage continues to be strong with articles featured in the Daily Mirror, locally in the Argus and the Brighton Independent, and through local radio and BBC TV.

Martlets has produced a new brand book and style guide to ensure consistent use of our brand and tone of voice across the organisation. We have also produced new materials to promote Will Writing and to support our appeals, redesigned the biannual newsletter 'Martlets Mail', and produced a new film for the Halloween Ball.

# THE MARTLETS HOSPICE LIMITED

## TRUSTEES' REPORT, INCORPORATING THE STRATEGIC REPORT FOR THE YEAR ENDED 31 MARCH 2020

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### Financial Summary

Martlets has generated a consolidated loss of £506k; this compares to a gain of £383k in the prior year. The objective to break even was not reached mainly due to a 14% annual decline in the investment portfolio at the start of the COVID-19 pandemic. This alone resulted in £446k of unrealised loss to be booked in the accounts.

### Income

Total income for the Group amounted to £11,166k, a 2% increase over the prior financial year. £2,849k, 26% of all income, derived from legacies, predominately gifts left in the wills of individuals. This is the most significant voluntary income received and was £227k, 7%, less than prior year. Income from charitable activities amounting to £2,651k, 24%, came from charitable activities, this being statutory grants contracted for service delivery. This amount was £469k, 21% higher than the prior year and was attributed to the prior year containing seven months of a new community service contract relative to a full 12 months in the current financial year. Martlets' subsidiaries generated a total of £2,750k, 25% of all income, consistent with £2,758k generated last year.

### Expenditure

Total Group expenditure amounted to £11,225k, 5% higher than the prior year. Of the £11,225k, £7,864, 70%, can be attributed to Hospice running costs, which increased by 13%. The majority of the £911k increase can be attributed to a full 12 months of the community contract that commenced in September 2018, hence only seven months in the prior year. The remaining 30% of all costs of £3,361k were allocated to commercial trading and fundraising, £414k less than prior year, a saving of 11%. The reason for less spend is also attributed to the Art Trail campaigns that featured in the financial year ending 2019.

### Investment Performance

The Board of Trustees seeks to optimise the reserves of the organisation while balancing the risk to gain such returns and so operates a diversified portfolio of assets. The asset portfolio is diversified in cash, residential property and an investment portfolio managed by a discretionary fund manager. The most significant event has been the sharp decline in the investment portfolio to £2,657k from £3,101k, a £446k decrease over 12 months due to the global economic decline during the COVID-19 pandemic. While such news has been concerning, there is reassurance that some of the capital unrealised loss has been recovered, with a valuation of £3,228k in July 2020.

Cash held in deposits have returned 0.95% for much of the year. However, in March 2020 deposit markets have diminished to close to zero per cent following cuts in the Bank of England base rate that were introduced as a stimulus to the COVID-19 pandemic. Opportunities have prevailed to increase the value of the residential property portfolio by £473k to £1,705k. £546k has been added in the form of a bequeathed property netted against £73k of revaluation losses on all properties based on independent valuations carried out in March 2020. All properties are let offering returns of approximately 3.5% of capital values.

### Reserves Policy

The Board of Trustees have approved an update to the organisation's reserve policy, and this has been implemented within the financial year. The new policy has been carefully designed following the guidance from Charities Commission guidance, "Charity reserves, building resilience" (CC19). The result of the new policy is that reserve requirements are calculated utilising three core components. First, an amount is held equivalent to the redundancy costs of all employees within the organisation in the event that these are required. Second, the value of 50% of most long-term leases and contracts are 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 is added to the reserve. At the end of March 2020, the three elements amounted to a reserve requirement of £2,895k. The free reserves as at the same date amounted to £4,035k, a surplus of £1,179k.

### Designated Reserves

In March 2020, an additional £2,500k was added to the Building Enhancement designated fund. This now brings the total of this designation to £5,000k.

# THE MARTLETS HOSPICE LIMITED

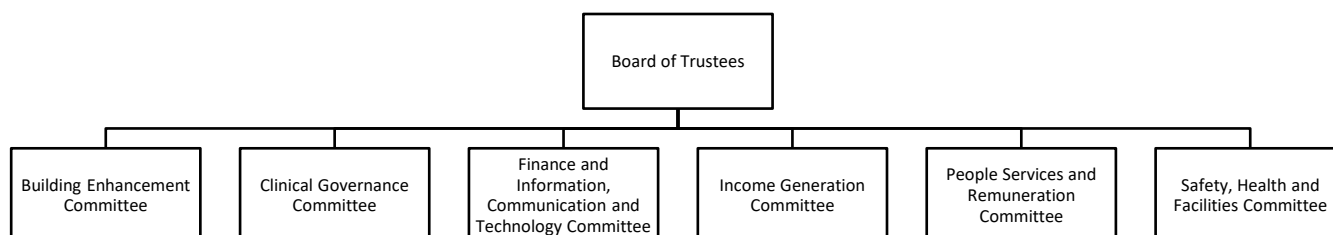
## TRUSTEES' REPORT, INCORPORATING THE STRATEGIC REPORT FOR THE YEAR ENDED 31 MARCH 2020

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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 enables 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 it considers 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, as they have been during the COVID-19 pandemic. Additional Board days support strategic planning.

#### 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.

#### Leadership Team Remuneration

Remuneration of the Martlets Leadership Team is governed by the People Services Committee. To facilitate this, benchmarking is undertaken in collaboration with a selection of hospices and considered alongside appropriate benchmarking.

#### Recruitment Policy

Martlets makes reasonable adjustments in the recruitment process to ensure that no applicant is disadvantaged because of their disability. 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, and Inclusion Policy

Martlets ascertains sensitively whether staff members require reasonable adjustments and therefore plan accordingly to meet any continuing health care 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 2020

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### Future Focus

Martlets continues to support strategies that can achieve our vision, which is that people of Brighton and Hove and neighbouring areas with a terminal illness can still feel hope, purpose, and possibility. This has not changed before, during or as we contemplate departing from the COVID-19 pandemic. Following are specific areas of focus for the organisation.

#### Building Enhancement, A New In-Patient Unit

COVID-19 has increased our resolve to replace our in-patient unit with the creation of single occupancy and en suite rooms, unlike the offering today. The financial year has seen a doubling of designated funds from £2.5m to £5m to support the project. Due to financial pressures created during the pandemic, the original scheme of works has been reduced to focus on the in-patient unit only, making a scheme more affordable. While not all funding is in place to support the entire project, plans are being devised to raise additional funds to secure a building project that could commence in 2021.

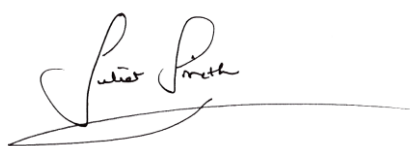
#### Working In Partnership With Commissioners And Other Providers.

Martlets operates areas of service delivery that span two clinical commissioning groups, Brighton and Hove alongside High Weald Lewes and Havens. We are actively participating in what the needs and opportunities of our neighboring hospices are across Sussex. This aligns with our ambition to ensure we are working seamlessly with other providers to identify new ways of operating that can support and enable wider and equitable access for all. COVID-19 has created a new lens through which all services have been assessed, including how and what services are commissioned. This has become a live review that Martlets, along with all other hospices, will be part of.

### 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 22 July 2020 and signed on its behalf by:



Juliet Smith  
Chairperson



Christopher Thomas  
Secretary

# **THE MARTLETS HOSPICE LIMITED**

## **STATEMENT OF TRUSTEES' RESPONSIBILITIES FOR THE YEAR ENDED**

### **31 MARCH 2020**

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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.

# REPORT OF THE INDEPENDENT AUDITOR TO THE MEMBERS OF THE MARTLETS HOSPICE LIMITED FOR THE YEAR ENDED 31 MARCH 2020

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## Opinion

We have audited the financial statements of The Martlets Hospice Limited ("the Charitable Company") and its subsidiaries ("the Group") for the year ended 31 March 2020, which comprise the Consolidated Statement of Financial Activities, the Group Balance Sheet, the Charity Balance Sheet, the Cashflow 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 Financial Reporting Standard 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

- give a true and fair view of the state of the Group's and the parent Charitable Company's affairs as at 31 March 2020 and of its incoming resources and application of resources 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 the financial statements section of our report. We are independent of the Charitable Group 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.

## Conclusions Relating to Going Concern

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

- the Trustees' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the Trustees have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the Group's or the Company's ability to continue to adopt the going concern basis of accounting for a period of at least 12 months from the date when the financial statements are authorised for issue.

## Other Information

The other information comprises the information included in the Annual Report, including the Trustees' 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.



# REPORT OF THE INDEPENDENT AUDITOR TO THE MEMBERS OF THE MARTLETS HOSPICE LIMITED FOR THE YEAR ENDED 31 MARCH 2020

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## Opinions on Other Matters Prescribed by the Companies Act 2006

In our opinion, based on the work undertaken during the audit:

- the information given in the Trustees' Report, which includes the Directors' Report (and the Strategic Report) prepared for the purposes of company law, for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Directors' Report (and the Strategic Report) included within the Trustees' 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 its environment obtained during the audit, we have not identified material misstatements in the Directors' Report (or the Strategic Report) included within the Trustees' Report.

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

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

## Responsibilities of Trustees

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

In preparing the financial statements, the Trustees are responsible for assessing the Group's and 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 Group or to cease operations, or have no realistic alternative but to do so.

# REPORT OF THE INDEPENDENT AUDITOR TO THE MEMBERS OF THE MARTLETS HOSPICE LIMITED FOR THE YEAR ENDED 31 MARCH 2020

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## Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements 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.

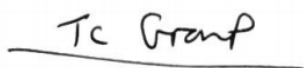
Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken based on these financial statements.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: <https://www.frc.org.uk/Our-Work/Audit/Audit-and-assurance/Standards-and-guidance/Standards-and-guidance-for-auditors/Auditors-responsibilities-for-audit/Description-of-auditors-responsibilities-for-audit.aspx>

This description forms part of our Auditor's Report.

## Use of our Report

This report is made solely to the Group's and the 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 Group's and to the 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 anyone other than the Group and the Group's members as a body, for our audit work, for this report, or for the opinions we have formed.



Mr Mark Cummins FCCA, Senior Statutory Auditor

for and on behalf of TC Group

Statutory Auditors,

The Courtyard,

Shoreham Road,

Steyning,

BN44 3TN

Dated: 22<sup>nd</sup> July 2020

# THE MARTLETS HOSPICE LIMITED, CONSOLIDATED STATEMENT OF FINANCIAL ACTIVITIES, INCLUDING INCOME AND EXPENDITURE ACCOUNT, FOR THE YEAR ENDED 31 MARCH 2020

		Unrestricted Funds	Designated Funds	Restricted Funds	Total 2020	Total 2019
<u>Income from</u>	Notes	£	£	£	£	£
Donations and legacies	3	4,075,820	-	197,336	4,273,156	4,184,329
Other trading activities	4	4,054,187	-	-	4,054,187	4,401,742
Charitable activities	5	2,650,596	-	-	2,650,596	2,181,613
Investments	6	163,675	-	-	163,675	153,066
Other income	7	24,436	-	-	24,436	11,333
<b>Total income</b>		<b>10,968,714</b>	<b>-</b>	<b>197,336</b>	<b>11,166,050</b>	<b>10,932,083</b>
<u>Expenditure on:</u>	8/9					
<b>Raising funds</b>						
Commercial trading and fundraising		3,360,868	-	-	3,360,868	3,774,976
<b>Charitable activities</b>						
Hospice running costs		7,627,394	-	236,834	7,864,228	6,953,685
<b>Total expenditure</b>		<b>10,988,262</b>	<b>-</b>	<b>236,834</b>	<b>11,225,096</b>	<b>10,728,661</b>
Tax payable		(38,000)	-	-	(38,000)	-
Net gains/(losses) on investments	13/17	(408,837)	-	-	(408,837)	179,296
<b>Net income/(expenditure)</b>		<b>(466,385)</b>	<b>-</b>	<b>(39,498)</b>	<b>(505,883)</b>	<b>382,718</b>
<b>Transfers between funds</b>	23/24	<b>(2,475,197)</b>	<b>2,500,000</b>	<b>(24,803)</b>	<b>-</b>	<b>-</b>
<b>Net movement in funds</b>		<b>(2,941,582)</b>	<b>2,500,000</b>	<b>(64,301)</b>	<b>(505,883)</b>	<b>382,718</b>
Fund balances at 1 April 2019		8,126,581	2,500,000	2,178,571	12,805,152	12,422,434
<b>Fund balances at 31 March 2020</b>		<b>5,184,999</b>	<b>5,000,000</b>	<b>2,114,270</b>	<b>12,299,269</b>	<b>12,805,152</b>

Net income (expenditure) and total comprehensive income attributable to The Martlets Hospice Limited for the year amounted to (£814,697) (2019: £144,599). Total income of the Charity (including gains/losses) amounted to £8,006,796 (2019: £8,370,039) and total expenditure of the Charity amounted to £8,821,493 (2019: £8,225,440).

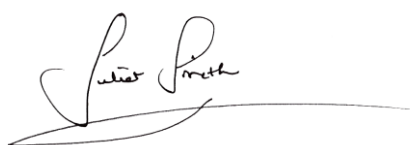
All activities are classified as continuing. There are no recognised gains or losses other than those reported on the Statement of Financial Activities.

# THE MARTLETS HOSPICE LIMITED, CONSOLIDATED BALANCE SHEET

## AS AT 31 MARCH 2020

		2020		2019	
	Notes	£	£	£	£
<b>Fixed assets</b>					
Tangible assets	15	3,134,789		3,044,672	
Intangible assets	16	23,450		14,175	
Investment property	13	1,705,000		1,232,329	
Investments	17	2,656,840		3,102,538	
		<u>7,520,079</u>		<u>7,393,714</u>	
<b>Current assets</b>					
Stocks	18	26,442		47,994	
Debtors	19	2,871,872		2,332,249	
Cash at bank and in hand		3,206,734		3,963,472	
		<u>6,105,048</u>		<u>6,343,715</u>	
<b>Creditors: amounts falling due within one year</b>	20	<u>(1,300,265)</u>		<u>(903,308)</u>	
<b>Net current assets</b>		<u>4,804,783</u>		<u>5,440,407</u>	
<b>Total assets less current liabilities</b>		<u>12,324,862</u>		<u>12,834,121</u>	
<b>Creditors: amounts falling due in greater than one year</b>	21	<u>(25,593)</u>		<u>(28,969)</u>	
<b>Net assets</b>		<u>12,299,269</u>		<u>12,805,152</u>	
<b>Income funds</b>					
Restricted funds	23	2,114,270		2,178,571	
Unrestricted income funds		5,184,999		8,126,581	
Designated funds	24	5,000,000		2,500,000	
		<u>12,299,269</u>		<u>12,805,152</u>	

The accounts were approved by the Board on Wednesday 22<sup>nd</sup> July 2020:



Juliet Smith  
Chairperson



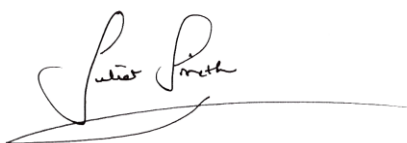
Christopher Thomas  
Secretary

Company Registration No. 02326410

# THE MARTLETS HOSPICE LIMITED, CHARITY BALANCE SHEET AS AT 31 MARCH 2020

		2020		2019	
	Notes	£	£	£	£
<b>Fixed assets</b>					
Tangible assets	14	3,098,674		2,999,528	
Intangible assets	16	14,000		-	
Investment property	13	1,705,000		1,232,329	
Investments	17	2,656,842		3,102,540	
		<u>7,474,516</u>		<u>7,334,397</u>	
<b>Current assets</b>					
Debtors	19	2,408,096	2,237,692		
Cash at bank and in hand		<u>3,140,025</u>	<u>3,865,988</u>		
		5,548,121	6,103,680		
<b>Creditors: amounts falling due within one year</b>	20	<u>(1,122,824)</u>	<u>(723,567)</u>		
<b>Net current assets</b>		<u>4,425,297</u>		<u>5,380,113</u>	
<b>Total assets less current liabilities</b>		<u>11,899,813</u>		<u>12,714,510</u>	
<b>Net assets</b>		<u>11,899,813</u>		<u>12,714,510</u>	
<b>Income funds</b>					
Restricted funds	23	2,114,270	2,178,571		
Unrestricted income funds		4,785,543	8,035,939		
Designated funds	24	5,000,000	2,500,000		
		<u>11,899,813</u>	<u>12,714,510</u>		

The accounts were approved by the Board on Wednesday 22<sup>nd</sup> July 2020:



Juliet Smith  
Chairperson



Christopher Thomas  
Secretary

Company Registration No. 02326410

# THE MARTLETS HOSPICE LIMITED, CONSOLIDATED CASH FLOW STATEMENT, FOR THE YEAR ENDED 31 MARCH 2020

		2020		2019	
	Notes	£	£	£	£
<b>Net cash provided by/ (used in) operating activities</b>	<b>26</b>		<b>(738,739)</b>		<b>(502,790)</b>
<b>Cash flows from investing activities:</b>					
Amounts received from dividends and interest	6	121,401		121,651	
Amounts received from other investment income	6	42,274		31,415	
Purchase of tangible fixed assets	15	(225,864)		(283,288)	
Purchase of intangible fixed assets	16	(20,000)		(18,900)	
Purchase of investments	17	(363,251)		(405,542)	
Investment property capital improvements		(45,588)		-	
Proceeds from sale of investments and fixed assets	17	473,029		442,268	
<b>Net cash used in investing activities</b>			<b>(17,999)</b>		<b>(112,396)</b>
<b>Increase/(decrease) in cash and cash equivalents in the year</b>			<b>(756,738)</b>		<b>(615,186)</b>
<b>Cash and cash equivalents at the beginning of the year</b>			<b>3,963,472</b>		<b>4,578,658</b>
<b>Cash and cash equivalents at the end of the year</b>			<b>3,206,734</b>		<b>3,963,472</b>
<b>Analysis of net cash:</b>					
	<b>At 1 April 2019</b>	<b>Cash flow</b>	<b>Non-cash Changes</b>	<b>At 31 March 2020</b>	
	£	£	£	£	
Cash at bank and in hand	3,963,472	(756,738)	-	3,206,734	



# THE MARTLETS HOSPICE LIMITED, NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2020

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## 1.0 Statutory 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.

## 2.0 Accounting Policies

### 2.1 Basis of Preparation

The financial statements have been prepared in accordance with 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, effective 1 January 2015, (Charities SORP, FRS 102) and the Companies Act 2006. The Martlets Hospice Limited meets the definition of a public benefit entity under FRS 102. Assets and liabilities are initially recognised at historical cost or transaction value unless otherwise stated in the relevant accounting policy note(s).

At the time of approving the financial statements, the Trustees have a reasonable expectation that The Martlets Hospice Limited has adequate resources to continue in operational existence for the foreseeable future. Thus, the Trustees continue to adopt the going concern basis of accounting in preparing the financial statements. Their assessment includes taking into account any potential impact of the COVID-19 pandemic, which is further detailed in the Trustees' Report.

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

### 2.2 Group Financial Statements

The financial statements consolidate the results of the Charity and its wholly owned subsidiaries, Martlets Care Limited and The Martlets Trading Co Limited, on a line by line basis. A separate Statement of Financial Activities and Income and Expenditure Account for the Charity has not been presented as the Charity has taken advantage of the exemption afforded by section 408 of the Companies Act 2006.

### 2.3 Income

All income is accounted for in the Statement of Financial Activities (SOFA) when the Group is legally entitled to the income, receipt is probable, and the amount can be quantified with reasonable accuracy. Income from donations is accounted for as received by the Charity. The income from fundraising ventures is shown gross, with the associated costs included in fundraising costs. The value of voluntary work is not included in the financial statements.

Grants are recognised in full in the SOFA in the year in which they are receivable. Grants for the purchase of fixed assets are credited to restricted income 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. Other income, including investment income and commissions, is recorded on an accruals basis.

For legacies, entitlement is taken on a case by case basis as the earlier of the date on which the Charity is aware that probate has been granted, the estate has been finalised and notification has been made by the executor(s) to the Charity that a distribution will be made, or when a distribution is received from the estate. Receipt of a legacy, in whole or in part, is only considered probable when the amount can be measured reliably, and the Charity has been notified of the executor's intention to make a distribution. If the legacy is in the form of an asset other than cash or an asset listed on a recognised stock exchange, recognition is subject to the value of the asset being able to be reliably measured and title to the asset has passed to the Charity. Where legacies have been notified to the Charity or the Charity is aware of the granting of probate, and the criteria for income recognition have not been met, then the legacy is treated as a contingent asset and disclosed if material.

# THE MARTLETS HOSPICE LIMITED, NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2020

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## 2.4 Expenditure

Costs are included in the Statement of Financial Activities on an accruals basis inclusive of irrecoverable VAT. All costs are allocated between expenditure categories and departments on a basis designed to reflect the use of the resource.

Fundraising 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.

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.

## 2.5 Tangible fixed assets and depreciation

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

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

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.

## 2.6 Intangible fixed assets and amortisation

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
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## 2.7 Leasing and hire purchase commitments

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.

## 2.8 Investments

Investments are stated at fair 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. Capital and cash accounts held within investment portfolios are included on the Balance Sheet within 'Cash at bank and in hand'. Investment property is stated at fair value. The fair value has been determined by a valuation conducted by an independent, appropriately qualified individual.

## 2.9 Stock

Stock represents unused medical supplies and trading stock at the balance sheet date. Stock is valued at the lower of cost and net realisable value, after making due allowance for obsolete and slow-moving items.

# THE MARTLETS HOSPICE LIMITED, NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2020

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## 2.10 Donated Goods and Services

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.

## 2.11 Debtors

Trade and other debtors are recognised at the settlement amount due.

## 2.12 Cash at Bank and in Hand

Cash at bank and in hand includes cash and short term highly liquid investments. The Trustees seek to use short and medium-term deposits where possible to maximise the return on monies held at the bank and to manage cash flow.

## 2.13 Financial Instruments

The Charity only has financial assets and financial liabilities of a kind that qualify as basic financial instruments. Basic financial instruments are initially recognised at transaction value and subsequently measured at their settlement value.

## 2.14 Creditors and Provisions

Creditors and provisions are recognised where the Charity has a present obligation resulting from a past event that will probably result in the transfer of funds to a third party and the amount due to settle the obligation can be measured or estimated reliably.

## 2.15 Pension Costs

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

The Charity 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 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.

## 2.16 Accumulated Funds

Funds held by the Charity are either:

- Unrestricted general funds, these being funds which can be used in accordance with the charitable objects at the discretion of the Trustees.
- Designated funds, these being funds set aside by Trustees to be used for a specific purpose.
- Restricted funds, these being 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 income there from may be utilised.

Further explanation of the nature and purpose of each fund is included in the notes to the Financial Statements.

## 2.17 Taxation

### Current Tax

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

### Deferred Tax

Deferred tax liabilities are generally recognised for all timing differences. Deferred tax is calculated at the tax rates that are expected to apply in the period when the liability is settled. Movement in deferred tax is charged or credited to the Statement of Financial Activity.

# THE MARTLETS HOSPICE LIMITED, NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2020

## 2.18 Critical Estimates and Accounting Judgements

In the application of the Group's 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 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.

The Trustees do not consider that there are any critical estimates or areas of judgement that need to be brought to the attention of the readers of the financial statements other than the treatment of the accrued legacy income which is fully explained in note 2.3 and note 19 of these accounts.

## 2.19 Subsidiary Gift Aid payments

Following updates to FRS 102 in December 2017 relating to Gift Aid payments by subsidiary companies (effective for all organisations for accounting periods starting on or after 1 January 2019), the Group account for subsidiary Gift Aid distributions when paid on the basis that no legal obligation to make the payment was in existence at the reporting date.

## 3 Income from Donations and Legacies

	Unrestricted Funds	Restricted Funds	Total 2020	Total 2019
	£	£	£	£
Patient related donations	225,781	-	225,781	204,504
Legacies receivable	2,848,535	-	2,848,535	3,075,541
General donations from individuals	425,164	55,142	480,306	435,435
Corporate donations	90,148	28,000	118,148	56,488
Donated goods Gift Aid scheme	383,599	-	383,599	258,902
Charitable Trust donations	102,593	114,194	216,787	153,459
	<u>4,075,820</u>	<u>197,336</u>	<u>4,273,156</u>	<u>4,184,329</u>

## 4 Income from Other Trading Activities

	Unrestricted Funds	Restricted Funds	Total 2020	Total 2019
	£	£	£	£
<b><u>Income from shops and trading activity</u></b>				
Martlets Trading Limited	1,576,125	-	1,576,125	1,616,072
Martlets Care Limited	1,174,289	-	1,174,289	1,143,675
	<u>2,750,414</u>	<u>-</u>	<u>2,750,414</u>	<u>2,759,747</u>
Function and event receipts	562,927	-	562,927	919,624
Collection boxes	15,180	-	15,180	19,742
Hospice lottery	725,666	-	725,666	702,629
	<u>4,054,187</u>	<u>-</u>	<u>4,054,187</u>	<u>4,401,742</u>

# THE MARTLETS HOSPICE LIMITED, NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2020

## 5 Income from Charitable Activities

	Unrestricted Funds	Restricted Funds	Total 2020	Total 2019
	£	£	£	£
Rent receivable	-	-	-	8,021
Primary Care Trust	2,073,889	-	2,073,889	1,636,080
Hospice at Home grant	347,820	-	347,820	347,820
Continuing care	109,656	-	109,656	144,270
Other grants	91,984	-	91,984	13,761
Other services	27,247	-	27,247	31,661
	<u>2,650,596</u>	<u>-</u>	<u>2,650,596</u>	<u>2,181,613</u>

## 6 Income from Investments

	Unrestricted Funds	Restricted Funds	Total 2020	Total 2019
	£	£	£	£
Income from managed fund investments	85,882	-	85,882	89,103
Income from cash deposits	35,519	-	35,519	32,548
Investment property rentals	42,274	-	42,274	31,415
	<u>163,675</u>	<u>-</u>	<u>163,675</u>	<u>153,066</u>

## 7 Other Income

	Unrestricted Funds	Restricted Funds	Total 2020	Total 2019
	£	£	£	£
Sundry income	24,436	-	24,436	11,333
	<u>24,436</u>	<u>-</u>	<u>24,436</u>	<u>11,333</u>

# THE MARTLETS HOSPICE LIMITED, NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2020

## 8 Total Expenditure

	Staff Costs £	Depreciation & Amortisation £	Other Costs £	Total 2020 £	Total 2019 £
<b>Costs of Raising Funds</b>					
Commercial trading and fundraising					
<u>Martlets Trading Limited</u>					
Activities undertaken directly	725,682	9,029	468,054	<b>1,202,765</b>	1,385,466
Support	84,000	-	5,550	<b>89,550</b>	89,550
Total	809,682	9,029	473,604	<b>1,292,315</b>	1,475,016
<u>Martlets Care Limited</u>					
Activities undertaken directly	735,910	4,725	76,497	<b>817,132</b>	846,904
Support	188,400	-	4,465	<b>192,865</b>	195,481
Total	924,310	4,725	80,962	<b>1,009,997</b>	1,042,385
<u>Other</u>					
Activities undertaken directly	358,062	-	546,820	<b>904,882</b>	1,070,605
Support	-	-	153,674	<b>153,674</b>	186,970
Total	358,062	-	700,494	<b>1,058,556</b>	1,257,575
Total costs of raising funds	2,092,054	13,754	1,255,060	<b>3,360,868</b>	3,774,976
<b>Charitable Activities</b>					
<u>Hospice running costs</u>					
Activities undertaken directly	4,867,560	132,718	830,129	<b>5,830,407</b>	4,777,767
Support costs	1,185,658	-	848,163	<b>2,033,821</b>	2,175,918
Total charitable activities	6,053,218	132,718	1,678,292	<b>7,864,228</b>	6,953,685
<b>Total Expenditure</b>	<b>8,145,272</b>	<b>146,472</b>	<b>2,933,352</b>	<b>11,225,096</b>	10,728,661



# THE MARTLETS HOSPICE LIMITED, NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2020

## 9 Support Costs Including Governance Costs

	Total 2020	Total 2019
	£	£
Wages and salaries	1,458,058	1,534,553
Printing and stationery	33,178	36,519
Advertising	65,262	85,520
Legal and professional fees	103,316	186,896
Auditors' remuneration	19,000	18,500
Conference and training	48,226	24,808
ICT costs	331,251	238,201
Service contracts	12,195	87,077
Repairs and renewals	91,341	103,315
Travel	8,350	17,628
Rent and rates	81,199	77,380
Heat and light	11,426	9,969
Phone	47,851	39,939
Insurance	38,427	40,975
Other fundraising	60,372	56,044
Recruitment	4,770	22,922
Investment management	19,319	23,291
Other	36,369	44,382
	<b>2,469,910</b>	<b>2,647,919</b>

Included within Support Costs above are Governance Costs. These costs include consolidated amounts payable to the Auditors of £19,000 (2019: £18,500) for audit services and £4,325 (2019: £3,846) for other services.

## 10 Trustees

None of the Trustees (or any persons connected with them) received any remuneration during the year or received any reimbursement of expenditure.

# THE MARTLETS HOSPICE LIMITED, NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2020

## 11 Comparative Funds – Statement of Financial Activities for the Year Ended 31 March 2019

<b><u>Income From:</u></b>	<b>Notes</b>	<b>Unrestricted Funds £</b>	<b>Restricted Funds £</b>	<b>Total 2019 £</b>
Donations and legacies	3	4,095,693	128,636	4,184,329
Other trading activities	4	4,401,742	-	4,401,742
Charitable activities	5	2,158,280	23,333	2,181,613
Investments	6	153,066	-	153,066
Other income	7	11,333	-	11,333
<b>Total income</b>		<b>10,780,114</b>	<b>151,969</b>	<b>10,932,083</b>
<b><u>Expenditure On:</u></b>	<b>8/9</b>			
<b>Raising Funds</b>				
Commercial trading and fundraising		3,774,976	-	3,774,976
<b>Charitable Activities</b>				
Hospice running costs		6,734,748	218,937	6,953,685
<b>Total Expenditure</b>		<b>10,509,724</b>	<b>218,937</b>	<b>10,728,661</b>
Net gains on investments		179,296	-	179,296
<b>Net Income/(Expenditure) and net movement in funds</b>		<b>452,723</b>	<b>(70,005)</b>	<b>382,718</b>
Fund balances at 1 April 2018		10,173,858	2,248,576	12,422,434
<b>Fund Balances at 31 March 2019</b>		<b>10,626,581</b>	<b>2,178,571</b>	<b>12,805,152</b>

# THE MARTLETS HOSPICE LIMITED, NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2020

## 12 Staff Costs

### Number of Employees

The average monthly headcount for the year was as follows:

	2020	2019
	Number	Number
Direct charitable activities	151	154
Administration	39	40
Fundraising	15	13
Martlets Care Ltd	63	71
Martlets Trading Co Ltd	36	39
	<b>304</b>	<b>317</b>

Staff Costs	2020	2019
	£	£
Wages and salaries	6,739,353	5,916,600
Social security costs	575,117	486,516
Pension costs	448,466	348,771
NHS Trust – Contract Staff	382,336	422,505
	<b>8,145,272</b>	<b>7,174,392</b>

The number of employees whose annual emoluments were £60,000 or more were:

	2020	2019
	Number	Number
£60,001 - £70,000	3	3
£70,001 - £80,000	2	1
£80,001 - £90,000	1	2
£90,001 - £100,000	1	1
£100,001 - £110,000	1	-
£120,001 - £130,000	1	-
	<b>9</b>	<b>7</b>

Of the employees, whose emoluments exceed £60,000, 8 (2019: 6) have retirement benefits accruing under defined benefit pension schemes. Pension contributions for higher paid employees in the year amounted to £65,511 (2019: £32,609).

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

The total employee benefits of the key management personnel (including Employer's National Insurance Contributions) were £422,749 (2019: £397,432).

# THE MARTLETS HOSPICE LIMITED, NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2020

## 13 Investment Property – Charity and Group

	Total £
<b>Fair Value</b>	
At 1 April 2019	1,232,329
Additions	545,588
Revaluations	(72,917)
<b>At 31 March 2020</b>	<b>1,705,000</b>

The Charity acquired the investment properties from legacy bequests received between 2017 and 2020. The properties were formally valued by Cubitt and West in May 2020. The May 2020 valuation is considered a good estimate of property values at 31 March 2020. The property received by way of a legacy bequest during 2020 has been included in the accounts at probate value.

## 14 Tangible Fixed Assets – Charity

	Assets Under Construction £	Leasehold Buildings £	Furniture & Equipment £	Computer Equipment £	Motor Vehicles £	Total £
<b>Cost</b>						
At 1 April 2019	8,367	3,829,595	268,088	170,061	37,843	4,313,954
Additions	140,400	7,952	51,535	23,227	2,750	225,864
<b>At 31 March 2020</b>	<b>148,767</b>	<b>3,837,547</b>	<b>319,623</b>	<b>193,288</b>	<b>40,593</b>	<b>4,539,818</b>
<b>Depreciation</b>						
At 1 April 2019	-	947,025	226,387	129,859	11,155	1,314,426
Charge for the year	-	57,811	26,754	32,731	9,422	126,718
<b>At 31 March 2020</b>	<b>-</b>	<b>1,004,836</b>	<b>253,141</b>	<b>162,590</b>	<b>20,577</b>	<b>1,441,144</b>
<b>Net Book Value</b>						
<b>At 31 March 2020</b>	<b>148,767</b>	<b>2,832,711</b>	<b>66,482</b>	<b>30,698</b>	<b>20,016</b>	<b>3,098,674</b>
At 31 March 2019	8,367	2,882,570	41,701	40,202	26,688	2,999,528

The net book value of fixed assets is applied:

Restricted funds	-	1,980,753	22,400	-	6,005	2,009,158
Unrestricted funds	148,767	851,958	44,082	30,698	14,011	1,089,516
<b>Total</b>	<b>148,767</b>	<b>2,832,711</b>	<b>66,482</b>	<b>30,698</b>	<b>20,016</b>	<b>3,098,674</b>

The Charity's main property at Wayfield Avenue, Hove, is held on a 99-year lease expiring 27 February 2095.

# THE MARTLETS HOSPICE LIMITED, NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2020

## 15 Tangible Fixed Assets – Group

	Assets under construction £	Leasehold buildings £	Furniture & equipment £	Computer equipment £	Motor vehicles £	Total £
<b>Cost</b>						
At 1 April 2019	8,367	3,829,595	345,139	184,777	42,843	4,410,721
Additions	140,400	7,952	51,535	23,227	2,750	225,864
Disposals	-	-	-	-	(5,000)	(5,000)
<b>At 31 March 2020</b>	<b>148,767</b>	<b>3,837,547</b>	<b>396,674</b>	<b>208,004</b>	<b>40,593</b>	<b>4,631,585</b>
<b>Depreciation</b>						
At 1 April 2019	-	947,025	258,294	144,575	16,155	1,366,049
Charge for the year	-	57,811	35,783	32,731	9,422	135,747
Eliminated on disposal	-	-	-	-	(5,000)	(5,000)
<b>At 31 March 2020</b>	<b>-</b>	<b>1,004,836</b>	<b>294,077</b>	<b>177,306</b>	<b>20,577</b>	<b>1,496,796</b>
<b>Net Book Value</b>						
<b>At 31 March 2020</b>	<b>148,767</b>	<b>2,832,711</b>	<b>102,597</b>	<b>30,698</b>	<b>20,016</b>	<b>3,134,789</b>
At 31 March 2019	8,367	2,882,570	86,845	40,202	26,688	3,044,672

The net book value of fixed assets is applied:

Restricted funds	-	1,980,753	22,400	-	6,005	2,009,158
Unrestricted funds	148,767	851,958	80,197	30,698	14,011	1,125,631
<b>Total</b>	<b>148,767</b>	<b>2,832,711</b>	<b>102,597</b>	<b>30,698</b>	<b>20,016</b>	<b>3,134,789</b>

## 16 Intangible Fixed Assets

	Charity £	Group £
<b>Cost</b>		
At 1 April 2019	-	18,900
Additions	20,000	20,000
<b>At 31 March 2020</b>	<b>20,000</b>	<b>38,900</b>
<b>Amortisation</b>		
At 1 April 2019	-	4,725
Charge for the year	6,000	10,725
<b>At 31 March 2020</b>	<b>6,000</b>	<b>15,450</b>
<b>Carrying amount</b>		
At 1 April 2019	-	14,175
<b>At 31 March 2020</b>	<b>14,000</b>	<b>23,450</b>

# THE MARTLETS HOSPICE LIMITED, NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2020

## 17 Fixed Asset Investments

### Charity and Group

	Subsidiary Investments	Managed Fund Investments	Total
Cost / Fair value	£	£	£
At 1 April 2019	2	3,102,538	<b>3,102,540</b>
Additions	-	363,251	<b>363,251</b>
Revaluations	-	(335,920)	<b>(335,920)</b>
Disposals	-	(473,029)	<b>(473,029)</b>
<b>At 31 March 2020</b>	<b>2</b>	<b>2,656,840</b>	<b>2,656,842</b>
Historical cost:			
<b>At 31 March 2020</b>	<b>2</b>	<b>2,547,371</b>	<b>2,547,373</b>
At 31 March 2019	2	2,626,996	<b>2,626,998</b>

### Subsidiary Companies

The subsidiary companies noted below are used for non-primary purpose trading activities. For the year under review The Martlets Trading Co Limited was involved in the operation of retail outlets and the Martlets Café, and Martlets Care Limited provided domiciliary care service for private clients, Brighton and Hove Clinical Commissioning Group, Brighton Council and The Martlets Hospice Limited. The trading subsidiaries gift their taxable trading profits to the parent charity when available. The gift of taxable trading profits relating to the year to March 2019 will be recognised in the accounts for the year to March 2020 in line with accounting regulations.

### Martlets Care Limited

Martlets Care Limited is a wholly owned trading subsidiary, company number 06250709, which is incorporated in England and Wales and provides care services. The Charity owns the entire issued share capital of 1 Ordinary £1 share. A summary of the trading results of the subsidiary is shown below.

Summary Profit and Loss account	2020	2019
	£	£
Total income	<b>1,174,289</b>	1,143,675
Cost of sales	<b>(738,040)</b>	(754,174)
Administrative expenses	<b>(271,958)</b>	(288,211)
Total expenditure	<b>(1,009,998)</b>	(1,042,385)
Operating profit before transfer to Martlets Hospice Ltd	<b>164,291</b>	101,290
Transferred to Martlets Hospice Limited	<b>(101,290)</b>	-
Tax charge	-	-
Profit/(loss) after tax	<b>63,001</b>	101,290



# THE MARTLETS HOSPICE LIMITED, NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2020

## 17 Fixed Asset Investments (Continued)

### Summary Balance Sheet

	2020	2019
	£	£
The assets and liabilities of the subsidiary were:		
Fixed assets	9,450	14,175
Current assets	223,754	178,180
Creditors: amounts falling due within one year	(68,912)	(91,064)
Total net assets	164,292	101,291
Aggregate share capital and reserves	164,292	101,291

### The Martlets Trading Co Limited

The Martlets Trading Co Limited is a wholly owned trading subsidiary, company number 04557282, which is incorporated in England and Wales and provides care services. The Charity owns the entire issued share capital of 1 Ordinary £1 share. A summary of the trading results of the subsidiary is shown below.

### Summary Profit and Loss Account

	2020	2019
	£	£
Total income	1,573,581	1,616,072
Cost of sales	(67,130)	(94,766)
Administrative expenses	(1,224,434)	(1,375,096)
Total expenditure	(1,291,564)	(1,469,862)
Operating profit/(loss)	282,017	146,210
Tax (charge)/credit	(36,205)	(5,892)
Profit/(loss) after tax	245,812	140,318
Profit/(loss) after tax	245,812	140,318
Gift-aided donated goods sold through the parent charity	306,878	207,405
Costs relating to Gift-aided donated goods	(275,338)	(192,591)
Total contribution from shops	277,352	155,132

# THE MARTLETS HOSPICE LIMITED, NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2020

## 17 Fixed Asset Investments (Continued)

### Summary Balance Sheet

	2020	2019
The assets and liabilities of the subsidiary were:	£	£
Fixed assets	36,115	45,144
Current assets	354,351	213,199
Creditors: amounts falling due within one year	(85,168)	(231,686)
Creditors: amounts falling due in greater than one year	(25,593)	(28,969)
Provisions for liabilities	(6,540)	(8,335)
Tax payable	(38,000)	-
Total net assets	<u>235,165</u>	<u>(10,647)</u>
Aggregate share capital and reserves	<u>235,165</u>	<u>(10,647)</u>

### Gains and Losses on Investments

	Unrestricted Funds	Restricted Funds	Total 2020	Total 2019
	£	£	£	£
Gains/(losses) on managed funds	(335,920)	-	(335,920)	196,967
Investment property revaluations	(72,917)	-	(72,917)	(17,671)
	<u>(408,837)</u>	<u>-</u>	<u>(408,837)</u>	<u>179,296</u>

Gains and losses on managed funds comprises:

	Unrestricted Funds	Restricted Funds	Total 2020	Total 2019
	£	£	£	£
Realised losses on investments	(21,765)	-	(21,765)	27,091
Unrealised losses on investments	(314,155)	-	(314,155)	169,876
	<u>(335,920)</u>	<u>-</u>	<u>(335,920)</u>	<u>196,967</u>

Managed fund investments have returned to 'pre COVID-19' levels since the year end.

## 18 Stock

	Charity		Group	
	2020	2019	2020	2019
	£	£	£	£
Shop stock	-	-	26,442	47,994
	<u>-</u>	<u>-</u>	<u>26,442</u>	<u>47,994</u>

# THE MARTLETS HOSPICE LIMITED, NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2020

## 19 Debtors

	Charity		Group	
	2020	2019	2020	2019
	£	£	£	£
Trade debtors	462,825	34,380	590,005	120,480
Other debtors	7,896	533	7,896	833
Social security and other taxes	66,577	69,904	86,456	81,470
Amounts due from subsidiary undertakings	17,541	150,639	-	-
Prepayments and accrued income	1,853,257	1,982,236	2,187,515	2,129,466
	<b>2,408,096</b>	<b>2,237,692</b>	<b>2,871,872</b>	<b>2,332,249</b>

Included within prepayments and accrued income is £1,579,074 (2019: £1,838,839) in relation to legacies due to the Charity.

## 20 Creditors: Amounts Falling Due Within One Year

	Charity		Group	
	2020	2019	2020	2019
	£	£	£	£
Trade creditors	126,441	208,827	166,017	235,165
Taxes and social security costs	127,556	136,214	185,198	160,086
Amounts due to subsidiary undertakings	2,773	-	-	-
Other creditors	108,544	90,373	166,309	169,095
Accruals and deferred income	757,510	288,153	782,741	338,962
	<b>1,122,824</b>	<b>723,567</b>	<b>1,300,265</b>	<b>903,308</b>

### Deferred Income

Deferred income included above comprises monies received for the provision of services to be provided after the year end.

	Charity & Group £
Balance as at 1 April 2019	106,531
Amount released to income earned from charitable activities	(106,531)
Amount deferred in year	561,645
Balance as at 31 March 2020	<b>561,645</b>

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

# THE MARTLETS HOSPICE LIMITED, NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2020

## 21 Creditors: Amounts Falling Due in Greater than One Year

	Charity		Group	
	2020	2019	2020	2019
	£	£	£	£
Other creditors	-	-	25,593	28,969
	-	-	25,593	28,969

All creditors due in greater than one year are due in less than five years.

## 22 Share Capital

The Martlets Hospice Limited is a company limited by guarantee and has no share capital. No one member has overall control of the Charity.

## 23 Restricted Funds

The income funds of the Charity include restricted funds comprising the following unexpended balances of donations and grants held on trust for specific purposes:

	Balance at 1 April 2019	Income	Expenditure	Transfers Between Funds	Balance at 31 March 2020
<u>Capital Funds:</u>					
Hospice Development	1,336,800	-	(27,885)	57,471	1,366,386
Refreshing Spaces	250,093	-	(4,583)	(20,939)	224,571
Renaissance Project	342,504	-	(6,454)	(19,798)	316,252
Renovations Fund	24,500	-	(490)	-	24,010
Gateways to Care Project	94,923	-	(6,140)	(39,249)	49,534
Car Fund	8,006	-	(2,001)	-	6,005
IPU	-	28,000	(5,600)	-	22,400
	2,056,826	28,000	(53,153)	(22,515)	2,009,158
<u>Revenue Funds</u>					
Hospice Running Costs	-	22,996	(14,472)	-	8,524
Thompson Training Fund	80,000	-	(20,000)	-	60,000
Cooper Family Fund	15,925	43,000	(27,274)	(2,288)	29,363
February Foundation Fund	-	5,000	(5,000)	-	-
Hospice at Home	-	45,571	(45,571)	-	-
Medical Equipment	80	-	(80)	-	-
Garden Development	3,114	-	(3,114)	-	-
Counselling & Bereavement	-	10,000	(10,000)	-	-
Carers Project	-	30,000	(22,775)	-	7,225
CPCS Charitable Fund	22,593	-	(22,593)	-	-
Other	33	12,769	(12,802)	-	-
	121,745	169,336	(183,681)	(2,288)	105,112
	<b>2,178,571</b>	<b>197,336</b>	<b>(236,834)</b>	<b>(24,803)</b>	<b>2,114,270</b>

# THE MARTLETS HOSPICE LIMITED, NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2020

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## 23 Restricted Funds (Continued)

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.

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 represents depreciation on capital assets forming part of the appeal.

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.

Renovations Fund: During the financial year 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. Such works commenced in October 2017 and were completed in June 2018.

Car Fund: A car was donated to Martlets by the Sussex Masonic Charities in March 2019. This car is restricted for use by our Community Nursing Team.

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.

Gateways 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

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.

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

The Cooper Family Fund: This cash fund represents the income and expenditure of restricted donations made during the year for welfare benefit projects. The transfer out of the fund relates to the project underspend which has been transferred to unrestricted funds as agreed with the donor.

# THE MARTLETS HOSPICE LIMITED, NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2020

## 23 Restricted Funds (Continued)

February Foundation Fund: The February Foundation granted the Martlets £5,000 in May 2019. The grant was fully spent on our Hospice at Home service.

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.

Medical Equipment: This fund represents income received from various donors throughout the year for the purpose of purchasing equipment required for patient use. Several recliner chairs were purchased as well as a wheelchair and a motorised movement therapy device.

Garden Development: This fund consists of donations received for the purpose of enhancing the garden space for patient use.

Counselling and Bereavement: A grant has been received to run a project that aims to support a bereavement project that has been run on a local allotment throughout the year.

CPCS Charitable Fund: This fund was transferred to Martlets as a result of the Sussex Community Foundation NHS Trust (SCFT) staff transfer in September 2018 and is to be used to fund initiatives that will benefit the Community Team's service delivery.

Other: This cash fund represents the income and expenditure of restricted donations made during the year for other purposes.

## 24 Designated Funds

The income funds of the Group include designated funds comprising the following unexpended balances set aside by Trustees to be spent on specific purposes:

	Balance at 1 April 2019	Income	Expenditure	Transfers Between Funds	Balance at 31 March 2020
	£	£	£	£	£
Hospice Development	2,500,000	-	-	2,500,000	5,000,000
	<b>2,500,000</b>	<b>-</b>	<b>-</b>	<b>2,500,000</b>	<b>5,000,000</b>

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 ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2020

## 25 Analysis of Net Assets Between Funds – The Group

	Unrestricted Funds £	Designated Funds £	Restricted Funds £	Total 2020 £
Fund balances at 31 March 2020 are represented by:				
Investments	-	4,361,840	-	4,361,840
Other fixed assets	1,149,081	-	2,009,158	3,158,239
Current assets	5,361,776	638,160	105,112	6,105,048
Creditors: amounts falling due within one year	(1,300,265)	-	-	(1,300,265)
Creditors: amounts falling due in more than one year	(25,593)	-	-	(25,593)
	<b>5,184,999</b>	<b>5,000,000</b>	<b>2,114,270</b>	<b>12,299,269</b>
	Unrestricted Funds £	Designated Funds £	Restricted Funds £	Total 2019 £
Fund balances at 31 March 2019 are represented by:				
Investments	1,834,867	2,500,000	-	4,334,867
Other fixed assets	1,002,021	-	2,056,826	3,058,847
Current assets	6,221,970	-	121,745	6,343,715
Creditors: amounts falling due within one year	(903,308)	-	-	(903,308)
Creditors: amounts falling due in more than one year	(28,969)	-	-	(28,969)
	<b>8,126,581</b>	<b>2,500,000</b>	<b>2,178,571</b>	<b>12,805,152</b>

## 26 Net Cash Inflow / (Outflow) from Operating Activities

	2020 £	2019 £
<b>Net income/movement in funds</b>	<b>(505,883)</b>	382,718
Depreciation of tangible fixed assets	135,747	137,767
Amortisation of intangible fixed assets	10,725	4,725
Gains on investments	408,837	(179,296)
Investment income	(163,675)	(153,066)
(Increase)/decrease in stocks	21,552	(26,006)
(Increase)/decrease in debtors	(539,623)	(525,291)
Increase/(decrease) in creditors	393,581	155,659
Investment property donation	(500,000)	(300,000)
<b>Net Cash Provided by Operating Activities</b>	<b>(738,739)</b>	(502,790)

# THE MARTLETS HOSPICE LIMITED, NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2020

## 27 Pension Schemes

The Group operates two pension schemes for its employees, one defined contribution scheme administered by Royal London and the NHS Superannuation Scheme.

Royal London: This is a defined contribution scheme. The assets of the scheme are held separately from those of the Group in a fund independently administered by Royal London and the assets and liabilities of the scheme are therefore not represented in the Group accounts.

NHS Superannuation Scheme: The Group 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 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 and 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 benefits 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. There are no further legal or financial obligations to the Scheme.

The total contributions made by the Group were as follows:

	Charity		Group	
	2020	2019	2020	2019
	£	£	£	£
Martlets Group Personal Pension Plans	173,879	158,196	218,299	204,030
NHS Defined Benefit Scheme	230,167	144,741	230,167	144,741
	<b>404,046</b>	<b>302,937</b>	<b>448,466</b>	<b>348,771</b>

Total contributions outstanding at the year-end amounted to £nil (2019: £nil) for the Group and £nil (2019: £nil) for the Charity.



# THE MARTLETS HOSPICE LIMITED, NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2020

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## 28 Commitments

### Commitments Under Operating Leases

The Group have the following total future minimum lease payments under non-cancellable operating leases payable as follows:

	2020	2019
	£	£
Within one year	327,296	378,797
Between one and five years	657,279	900,675
After five years	1,778,000	1,803,400
	<b>2,762,575</b>	<b>3,082,872</b>

## 29 Related Party Transactions

There were no related party transactions during the year, and there were also none in the financial year ending March 2019.



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 MartletsHospice  
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**Martlets**  
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