

Trustees' Report

including Strategic Report
and Consolidated Accounts

Year ended 31 March 2021



THE MARTLETS HOSPICE LIMITED

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THE MARTLETS HOSPICE LIMITED

LEGAL AND ADMINISTRATIVE INFORMATION

Directors and Trustees		Committee
Mark Bayliss	<i>Appointed December 2020</i>	1,2
Michael Bedingfield		4
Karen Blatchford		4
Rebecca Crook		1,2,3
Bec Davison		5
Barry Egan		5
Matthew Fletcher	<i>Resigned February 2021</i>	1,2
Mansoor Foroughi	<i>Resigned February 2021</i>	2
Helen Greany		1
Giles Ings		1,6
Wayne Murray	<i>Resigned March 2021</i>	4,6
David Quinton	<i>Appointed December 2020</i>	4,6
Juliet Smith, <i>Chairperson</i>		
Jake Standing, <i>Treasurer</i>		3
Duncan Stewart		2
Christopher Thomas, <i>Secretary</i>		1,3

Committees

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

Leadership Team

Imelda Glackin, Chief Executive Officer		All
Simone Ali, Medical Director		2
Sally Brighton, Director of Income Generation	<i>Resigned August 2020</i>	1,3,4,6
Bobby Dhol, Director of Finance and Support Services		1,3,4,6
Fiona Mulliner, Director of Income Generation	<i>Appointed November 2020</i>	1,3,4,6
Sharon Howes, Director of People Services		5
Karen Taylor, Director of Clinical Services		2

Charity Number	802145	Company Number	02326410
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Principal Address and Registered Office

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

Auditors

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

Lead Banking Partner

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

Discretionary Fund Manager

Rathbone Brothers PLC
 1 Curzon Street
 London
 W1J 5FB

THE MARTLETS HOSPICE LIMITED

TRUSTEES' REPORT, INCORPORATING THE STRATEGIC REPORT

FOR THE YEAR ENDED 31 MARCH 2021

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 2021 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 Tarner Home and the Macmillan Day Services. This report covers the period April 2020 to March 2021.

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 2021

COVID-19

The impact of COVID-19 on Martlets' operational and financial performance has been significant and unprecedented. A year ago, there was no clarity about how the pandemic would develop and how, or how long, its impact would be felt, leading to uncertainty across all sectors of business and society. Like many healthcare providers, Martlets has had to adapt almost all parts of its activities to respond to the evolution of the pandemic and its ongoing impact. There are now signs that the United Kingdom is heading to a pathway out of the pandemic, using the vaccine as a core part of that strategy. We remain alert to the risk of continued operational disruption and the impact on staff, volunteers, and those we care for.

Services

Martlets has previously operated an 18-bed inpatient unit including two four-bedded bays. With the need to socially distance, the inpatient unit was unable to fully use these four-bedded rooms during the pandemic. Only single rooms or family rooms have been used, and this has therefore reduced bed capacity from 18 to 12 beds. Patients have been prioritised for admission as before, and there has been an overall reduction in admissions also impacted by patients that wanted to be cared for at home, supported by our community teams. Like many healthcare settings, our ability to allow visitors to visit their loved ones has been challenged throughout the year. The broader adoption of lateral flow device testing has now allowed visiting to increase safely. However, it is far from ideal, causing anxiety to patients, relatives, friends and our staff.

With increased demands on our community teams, we have implemented different ways of working. Face-to-face visits have been prioritised for those in most need, supported by the greater use of remote ways of community delivery, such as video consultation and telephone support, both of which have seen a significant increase.

For all face-to-face service delivery, and associated support services roles, it has been imperative to protect these staff members by using personal protective equipment (PPE) plus a robust regime of testing and vaccinations. While PPE was highly challenging to obtain from the outset of the pandemic, we are thankful to the National Health Service (NHS) for including hospices nationally in PPE roll-out. Martlets was pleased we could offer our services and venues from which to distribute PPE to other Southeast hospices. The broader implementation of polymerase chain reaction (PCR) and lateral flow device (LFD) tests, and then the prioritisation of our teams for the vaccination, have been essential in protecting staff and delivering services, all complemented by robust communications, implementation, and reporting from our People Services Team.

Organisational Impact

The COVID-19 pandemic has had a significant impact on our staff and volunteers throughout the pandemic. Staff adjustments have been required for isolating, caring responsibilities, symptomatic and underlying health conditions, and unfortunately, illness. Staff have experienced some levels of anxiety, which we have proactively managed through our focus on the wellbeing of our teams. We believe that this will be required for some time to come. Martlets has leveraged the furlough scheme to protect employment where we can, although there has been a need to restructure some of our teams, leading to redundancies, to protect the organisation going forwards. Martlets highly values our volunteers without whom we cannot operate in the same way. The pandemic has meant we have had to reduce volunteer activity, which in turn has increased resourcing demands on our staff. We look forward to our volunteers returning as most adults in our community become fully vaccinated.

Financial Assistance

The financial year started with tremendous uncertainty about future financial performance, which led us to adopt an agile approach to forecasting and business planning. Martlets are thankful to Hospice UK and NHS England who partnered to deploy a grant programme for bed and community capacity for nationwide hospices. Martlets has received £1,763k from this grant, providing important funds to help protect us within the financial year, and for the economic uncertainty for the years to come.

THE MARTLETS HOSPICE LIMITED

TRUSTEES' REPORT, INCORPORATING THE STRATEGIC REPORT

FOR THE YEAR ENDED 31 MARCH 2021

Education

In April 2020 rapid development of redeployment training was required to support the Inpatient, Community and Housekeeping Teams. Many of our teams helped develop the initial impacts on staffing including the clinically vulnerable, caring responsibilities of others, and suspected COVID-19 diagnosis, all of which impacted our operations. A Sussex hospice collaboration, spanning four hospices, enabled the commissioning of a new learning platform to share and develop an aligned statutory and mandatory training programme. During the first few months of the COVID-19 crisis we delivered 65 daily webinars for care homes where 21 topics were covered including basic end-of-life care, breathlessness, difficult conversations, donning and doffing, recommended summary plans for emergency care and treatment (ReSPECT), visiting in care homes, risk assessments, and the verification of expected death process. Over 300 care home staff attended. The implementation of SystemOne in February 2021, our new patient record system, required virtual training for more than 130 staff.

Conclusions

The last year has truly been unprecedented. Everyone at Martlets is grateful to the kindness and support shown from the communities we serve which have helped us keep caring, and to our dedicated, adaptive, and highly skilled teams. We have exciting plans to improve our Hospice site to ensure that safe, dignified, and compassionate care will remain accessible for our community for many years to come.

THE MARTLETS HOSPICE LIMITED

TRUSTEES' REPORT, INCORPORATING THE STRATEGIC REPORT FOR THE YEAR ENDED 31 MARCH 2021

Service Delivery

Inpatient Services

Due to the COVID-19 pandemic, the inpatient unit has had to reduce its bed capacity of 18 beds to a revised capacity of 12 beds. During the financial year, the inpatient unit cared for a total of 216 patients some of whom had multiple admissions. This was a reduction of 21% on the prior year. The average occupancy of the inpatient unit was 49%, which is significantly less than previous years. During the pandemic, many patients and their families wanted to remain at home. Of the patients cared for on the inpatient unit, 24% had a non-cancer diagnosis, which is an increase from previous years. Of those admitted, the majority remained at the Hospice for end-of-life care.

Community Services

The Community Team consists of a multi-disciplinary team of Clinical Nurse Specialists, the Hospice at Home Team, doctors and other health and social care professionals including social workers, occupational therapists, a chaplain, counsellors, and a range of volunteers providing services to patients and their families in the community as part of the wider Community Service. A total of 1,905 patients and carers were supported and cared for by the Community Services in the year 2020-21. This has been a 15% reduction on the prior year.

2,783 face-to-face visits were made to 613 individual patients. To ensure patient safety, the number of face-to-face visits was much reduced during the pandemic. However, this was balanced by remote consultations and a significant increase in telephone support. The Hub telephone service offers advice and support to patients, carers and health and social care professionals 24 hours a day, seven days a week. 43,323 calls were received and made this year, close to double the number of calls last year.

Outpatient Services

Outpatient services were significantly affected by the pandemic, as they were unable to take place safely face-to-face due to the space needed to socially distance. Therefore, we adapted our services to enable them to be delivered remotely, including yoga, relaxation, rehabilitation and choir. Within the year 546 individuals accessed these services and for some this was easier than trying to attend outpatient appointments. Wellbeing calls meant that 4,695 telephone calls were made to support people at home.

Bereavement Services

The bereavement service offers one-to-one counselling with qualified counsellors and one-to-one support from trained bereavement volunteers. Counselling sessions are offered on all days except Sundays and the service is available in the evenings as well as during the daytime. Due to the pandemic many of the usual events were suspended. Face-to-face consultations were stopped, and counselling sessions were all undertaken remotely. The number of bereavement counselling sessions increased by 7% this year to 1,159.

Building a new Inpatient Unit

Martlets has made significant progress during the year on developing plans to build a new inpatient 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 inpatient 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 worked with professional consultants and Brighton and Hove Council, resulting in planning permission being granted within the financial year for the new inpatient unit. An initial tender has been issued for the construction concluding in a shortlist of contractors who will tender for the final specification. It is anticipated that construction will commence in Spring 2022.

THE MARTLETS HOSPICE LIMITED

TRUSTEES' REPORT, INCORPORATING THE STRATEGIC REPORT FOR THE YEAR ENDED 31 MARCH 2021

Support Services

People Services

Communicating with our staff and volunteers has been essential as remote working has increased, including preparing and supporting staff through periods of furlough during successive lockdowns. Staff and Volunteer forums have moved to digital video conferencing, enabling greater access and engagement with our audiences. COVID-19 impacted the provision of services, so face-to-face training programmes were converted to online programmes. We encouraged staff to take annual leave to help them maintain resilience and prevent significant unused leave being brought forward. Recruitment recommenced to a greater level from January 2021, including apprenticeships, the Kickstarter scheme and university and college students as volunteers. A Sussex hospice collaboration project enabled the commissioning of a new learning platform for four hospices to share and develop an aligned statutory and mandatory training programme. The freedom-to-speak-up guardian proved successful in supporting staff as the scale and scope of change was challenging for a prolonged period. A pay review in February 2021 supported a range of pay uplifts from 1 April 2021, noting amendments required for the lowest paid, a move towards comparable points and bands to the NHS agenda for change pay structure, and out-of-hours enhancements for key support roles.

Information, Communications and Technology

Martlets has continued a theme of digital evolution. The most significant investment has been the implementation of a new patient record system, SystmOne, to replace Crosscare, which went live in February 2020. A significant benefit of this cloud-based solution is the integration with local healthcare systems to unify patient care. A cloud-based solution has also been implemented for telephony communications, allowing a more dynamic system with increased flexibility for use in any location and on smart phones. While Microsoft Teams and Zoom have been utilised within the organisation for some time, their use has been exponential and has changed the culture and acceptance of such platforms.

Health and Safety

Our use of Risk Assessments and Standard Operating Procedure (SOP) method statements was accelerated due to the COVID-19 pandemic. The main hospice building received the most focus due to the inpatient unit and community services. There was a need to segregate the building into “bubbles” to mitigate contamination risk from one area to another. When we were allowed to reopen our retail outlets, we had to produce and implement new risk assessments. As government and Public Health England (PHE) guidelines changed, Martlets also had to adjust accordingly to create the safest possible environment for our staff, patients, visitors, and retail customers. Support via counselling services was utilised, as were in-house mindfulness and wellness sessions, clinical supervision, and team meetings. We continued to deliver weekly communications to disseminate COVID-19 related government and organisational information to all staff. This was strengthened with a specific clinical Wayfield Weekly newsletter as changes continued for a prolonged period.

The mental health of our staff and volunteers has received a great deal of focus, including how to promote good mental health and how to help those who have developed challenges, be those COVID-19 related or not. In 2021 thus far 30 of our staff have completed a two-day mental health first aid course. We will continue to roll out this important training throughout 2021.

Data Protection and Governance

The increase in mobile and distance working has been reflected in a growing need to protect Martlets, its staff, and volunteers, particularly from the threat of cyber criminals targeting entities. Martlets has accelerated the implementation of multi-factor authentication (MFA) that is now fully rolled out, requiring any remote access to be authenticated by a secondary means. To complement this, training and communication has continually been offered to staff and volunteers to warn against the many attempts to compromise our data. There has been a good reporting of near misses in data events, and we are pleased to report that there were no material data breaches during the year.

THE MARTLETS HOSPICE LIMITED

TRUSTEES' REPORT, INCORPORATING THE STRATEGIC REPORT FOR THE YEAR ENDED 31 MARCH 2021

Income Generation

The COVID-19 pandemic had an immediate and significant impact on our income generation activities. Our retail and warehouse operations had to close and remained closed for over seven months of the year during successive lockdowns. This resulted in a steep drop in income, which was only marginally mitigated using furlough and retail grants. Although our ecommerce Team was able to continue to operate throughout, their efforts were limited by the lack of new donations and COVID-19 restrictions.

Historically, our fundraising efforts had been focused on events in and by the community. These were immediately halted when the UK went into lockdown and did not restart during the year. To mitigate the financial impact of this change, we pivoted to a digital-first approach, adopting email, web, and social media as our dominant communication channels. The Fundraising Team successfully launched Martlets' first Crisis Appeal which generated a very positive response and significant income from both individual and corporate supporters. Buoyed by this successful pilot, the team continued to develop digital campaigns and communications with the support of the Marketing and Communications Team. These included a video-first "Facing the Future" campaign, and a virtual "Light Up a Life" event which reached a far wider audience than would have been possible at a face-to-face event.

Legacy income held up strongly during the year, although delays in the probate service due to the impact of COVID-19 meant that we realised a significant number of expected legacies only at the very end of the year. Legacy income of £3,021k came very close to our budgeted expectation of £3,060k.

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

The Martlets' website outlines our complaints policy for the public and clearly explains how an individual can complain. Two complaints were received in the financial year and were resolved. 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 are familiarised with the code of conduct to ensure that it is applied properly.

Marketing and Communications

Digital communications have been instrumental for Martlets, both for internal and external audiences. With increased remote working and the many changes that COVID-19 brought to everyday lives, a weekly "Martlets Update" email has become essential to ensure our teams are connected and engaged wherever they are based. A new intranet brand centre was launched to enable staff to self-serve stories, photos, letterheads, and document templates, to develop their own communications with our stakeholders. As a result of the COVID-19 pandemic our fundraising activities moved to a digital-first approach, with the in-house development of creative and content assets for our first Crisis Appeal, which ran across email and social channels to great effect. The growth of video conferencing enabled the capture of video content remotely, ensuring Martlets was able to deliver a successful neighbourhood engagement event in support of our planning application for the new inpatient build project.

THE MARTLETS HOSPICE LIMITED

TRUSTEES' REPORT, INCORPORATING THE STRATEGIC REPORT FOR THE YEAR ENDED 31 MARCH 2021

Financial Summary

Martlets has generated a consolidated surplus of £2,030k; this compares to a deficit of £506k in the prior year.

Income

Total income for the Group amounted to £11,554k, a 3% increase over the prior financial year. Charitable activity income has shown a large 85% growth amounting to £4,909k, an increase of £2,258k. The bulk of the incremental income has come from an exceptional grant issued by NHS England to hospices nationally for bed and community activity capacity. Martlets has received £1,763k for its capacity. The remainder of the increase has come from furlough claims and other COVID-19 grants and assistance. Donations and Legacies have shown a 2% increase on the prior year concluding at £4,362k. Trading activities have seen the largest deterioration in the financial year, £2,123k compared to £4,054k last year, a reduction of 48%. Of this, £1,125k has come from the loss in retail outlets when closed and a further £473k has been lost in Functions and Events Income, all of this to conform to government policy to protect the public from COVID-19. Our domiciliary care agency has also suffered from lost income amounting to £291k as delivering these important services has been significantly impacted by the pandemic.

Expenditure

Total expenditure in the financial year amounted to £10,423k, a reduction of £802k, 7%. Savings of £1,065k were made in relation to income-generating activities and in part mitigated the lost associated revenue with such investment. There was a growth of £263k in expenses directly attributable to charitable activities.

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 prior year saw a significant decline of £446k in the investment portfolio to £2,657k as the global equity markets reacted to the COVID-19 pandemic. We are pleased to report that financial markets have since recovered and the Martlets' portfolio has recovered to £3,465k, contributing to a gain on investments in the year of £861k.

Reserves Policy

The Board of Trustees has adopted a reserves policy carefully designed following the guidance from Charity Commission guidance, "Charity reserves, building resilience" (CC19). The policy seeks to set a reserve requirement using three core components. First, an amount is held equivalent to the redundancy costs of all staff within the organisation if these are required. Second, the value of 50% of most long-term leases and contracts 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 2021, the three elements amounted to a reserve requirement of £2,895k. The free reserves as at the same date amounted to £6,726k, a surplus of £3,831k.

Designated Reserves

Martlets has retained £5,000k in designated reserves to assist in the funding of the building of the new inpatient unit. No decrease or increase was made in designated funds within the financial year.

THE MARTLETS HOSPICE LIMITED

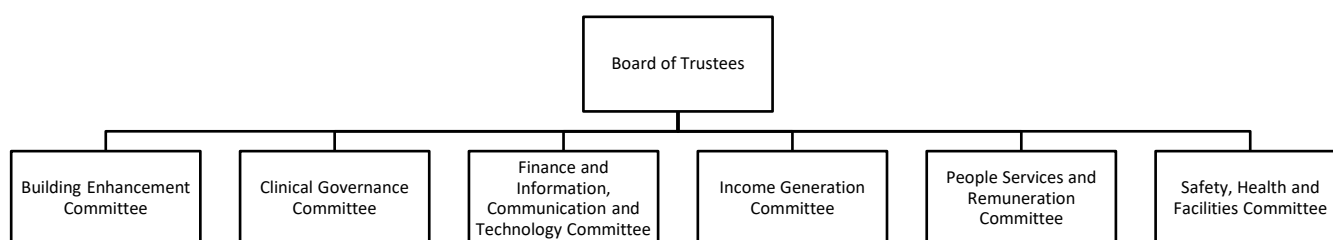
TRUSTEES' REPORT, INCORPORATING THE STRATEGIC REPORT

FOR THE YEAR ENDED 31 MARCH 2021

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. All Trustees and Directors undergo an induction to educate on the policies and procedures for Martlets, training for specific topics as well as general information on how the organisation operates.

Risk Assessment and Management

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

Leadership Team Remuneration

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

Recruitment Policy

Martlets makes reasonable adjustments in the recruitment process to ensure that no applicant is disadvantaged because of their protected characteristic. Our technical solutions enable anonymised shortlisting as personal and diversity information is held back. Guidance available sets out how we aim to eliminate bias from our recruitment process as this is the best way to reflect diversity, be fair to all applicants and encourage under-represented groups to apply for work or volunteering opportunities with us. We wish to reflect the diversity of the local community as far as possible as we believe it can enrich our services and enhance our social and cultural life. Gender pay reporting for 2020 is under production for submission prior to the deadline of 5 October 2021.

Equality, Diversity, and Inclusion Policy

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

THE MARTLETS HOSPICE LIMITED

TRUSTEES' REPORT, INCORPORATING THE STRATEGIC REPORT FOR THE YEAR ENDED 31 MARCH 2021

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. The following are specific areas of focus for the organisation.

Building Enhancement, A New Inpatient Unit

COVID-19 has increased our resolve to replace our inpatient unit with the creation of a new facility with single occupancy and en suite rooms. Having now received planning consent, the focus for the rest of the year will be to finalise our detailed design in preparation for appointing a building contractor to commence works in Spring 2022. Key to commencing building works is to secure suitable off-site temporary premises from which to run an inpatient unit during the entire period of construction, which is estimated to be 18 months.

Working In Partnership with Commissioners and Other Providers.

Martlets operates areas of service delivery that span two clinical commissioning groups: Brighton and Hove, and High Weald Lewes Havens. Since 2020 we will be commissioned by one Integrated Care System (ICS) which is the new NHS structure for commissioning. We have created a collaborate with our neighbouring hospices across Sussex with a vision to create greater access for all who use specialist palliative and end-of-life care. We also wish to create greater opportunities as a pan-Sussex collaborate. COVID-19 has created new ways of delivering services. We will continue to develop some of these new modes using the learning from the last 15 months to enhance and broaden our offer to more people who need hospice care services.

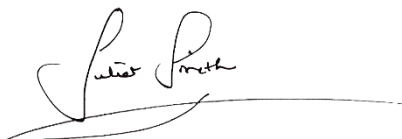
Evolution of COVID-19

COVID-19 has seen unprecedented change for Martlets, primarily in the delivery of services, and then across all other aspects of the organisation. While some change has been challenged there is a recognition of positive aspects that the organisation will retain for future use and development. The government have now reached their target of a removal of most COVID-19 restrictions in July 2021. Martlets remains cautious at this time, retaining some of the previous provisions to maintain safety for patients, visitors, staff, and volunteers. The intention of Martlets is to now reappraise the strategic development of the organisation and set out the next path forwards with learning from the last 15 months.

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 2021 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 2021

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

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

In preparing these accounts, the Trustees are required to:

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

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

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

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

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

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

We have audited the financial statements of The Martlets Hospice Limited ('the company') for the year ended 31 March 2021 which comprise the Consolidated Statement of Financial Activities, the Consolidated Balance Sheet, the Charity Balance sheet, the Consolidated Cash Flow Statement and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including FRS 102 'The Financial Reporting Standard Applicable in the UK and Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the group's and the parent charitable company's affairs as at 31 March 2021 and of the group's incoming resources and application of resources, including its income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

BASIS FOR OPINION

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

CONCLUSIONS RELATING TO GOING CONCERN

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

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

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

OTHER INFORMATION

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

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

We have nothing to report in this regard.

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

OPINIONS ON OTHER MATTERS PRESCRIBED BY THE COMPANIES ACT 2006

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

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

MATTERS ON WHICH WE ARE REQUIRED TO REPORT BY EXCEPTION

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

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

- the information given in the Trustees' Annual Report is inconsistent in any material respect with the financial statements; or
- the charity has not kept adequate accounting records; or
- the financial statements are not in agreement with the accounting records and returns; or
- we have not received all the information and explanations we require for our audit.

RESPONSIBILITIES OF TRUSTEES

As explained more fully in the trustees' responsibilities statement set out on page 13, the trustees are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

AUDITOR'S RESPONSIBILITIES FOR THE AUDIT OF THE FINANCIAL STATEMENTS

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

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

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

EXPLANATION AS TO WHAT EXTENT THE AUDIT WAS CONSIDERED CAPABLE OF DETECTING IRREGULARITIES, INCLUDING FRAUD

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

Our approach was as follows:

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

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

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

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

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

USE OF OUR REPORT

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



James Saunders (Senior Statutory Auditor)

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

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

Date: 23 August 2021

Martlets Care Limited

Independent Auditor's Report (Continued)

To the Members of Martlets Care Limited

Use of our report

This report is made solely to 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 for no purpose other than to draw to the attention of the company's members those matters we are required to include in an auditor's report addressed to them. To the fullest extent permitted by law, we do not accept or assume responsibility to any party other than the company and the company's members as a body, for our work, for this report, or for the opinions we have formed.

James Saunders (Senior Statutory Auditor)
for and on behalf of Moore Kingston Smith LLP

23 August 2021

Chartered Accountants
Statutory Auditor

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

THE MARTLETS HOSPICE LIMITED
CONSOLIDATED STATEMENT OF FINANCIAL ACTIVITIES (INCLUDING THE INCOME AND EXPENDITURE
ACCOUNT)
FOR THE YEAR ENDED 31 MARCH 2021

	Notes	2021				2020			
		Unrestricted Funds General £	Designated Funds £	Restricted Funds £	Total Funds £	Unrestricted Funds General £	Designated Funds £	Restricted Funds £	Total Funds £
INCOME AND ENDOWMENTS:									
Donations and legacies	2	4,207,468	-	154,050	4,361,518	4,075,820	-	197,336	4,273,156
Charitable activities	3	3,173,677	-	1,761,467	4,935,144	2,650,596	-	-	2,650,596
Other trading activities	4	2,122,715	-	-	2,122,715	4,054,187	-	-	4,054,187
Income from investments	5	134,976	-	-	134,976	163,675	-	-	163,675
Other income		-	-	-	-	24,436	-	-	24,436
Total Income and Endowments		9,638,836	-	1,915,517	11,554,353	10,968,714	-	197,336	11,166,050
Raising funds	6	2,296,338	-	-	2,296,338	3,360,868	-	-	3,360,868
Charitable activities	7	6,183,662	-	1,943,380	8,127,042	7,627,394	-	236,834	7,864,228
Total Expenditure		8,480,000	-	1,943,380	10,423,380	10,988,262	-	236,834	11,225,096
Net Surplus/ (Deficit) before other recognised gains and losses		1,158,836	-	(27,863)	1,130,973	(19,548)	-	(39,498)	(59,046)
Net gains/ (losses) on investments		861,059	-	-	861,059	(408,837)	-	-	(408,837)
Taxation		38,000	-	-	38,000	(38,000)	-	-	(38,000)
Net Surplus/ (Deficit)		2,057,895	-	(27,863)	2,030,032	(466,385)	-	(39,498)	(505,883)
Transfers between funds		266,569	-	(266,569)	-	(2,475,197)	2,500,000	(24,803)	-
Net movement in funds		2,324,464	-	(294,432)	2,030,032	(2,941,582)	2,500,000	(64,301)	(505,883)
Reconciliation of Funds									
Balance brought forward		5,184,999	5,000,000	2,114,270	12,299,269	8,126,581	2,500,000	2,178,571	12,805,152
Balance carried forward	21	7,509,463	5,000,000	1,819,838	14,329,301	5,184,999	5,000,000	2,114,270	12,299,269

The statement of financial activities includes all gains and losses recognised in the year and all income and expenditure derive from continuing activities.

The notes on pages 23 to 38 form part of these financial statements.

THE MARTLETS HOSPICE LIMITED

CONSOLIDATED BALANCE SHEET

FOR THE YEAR ENDED 31 MARCH 2021

	Notes	2021		2020	
		£	£	£	£
Fixed assets:					
Tangible assets	12		3,024,488		3,134,789
Intangible assets	13		8,000		23,450
Investment property	11		1,850,000		1,705,000
Investments	14		<u>3,464,970</u>		<u>2,656,840</u>
Total fixed assets			8,347,458		7,520,079
Current assets:					
Stock	16	15,162		26,442	
Debtors	17	4,182,922		2,871,872	
Cash at bank and in hand		<u>3,274,042</u>		<u>3,206,734</u>	
Total current assets		7,472,126		6,105,048	
Liabilities:					
Creditors: Amounts falling due within one year	18	<u>(1,407,997)</u>		<u>(1,293,725)</u>	
Net current assets			<u>6,064,129</u>		<u>4,811,323</u>
Total assets less current liabilities			14,411,587		12,331,402
Creditors: Amounts falling due in greater than one year	19		(75,746)		(25,593)
Provisions for liabilities			<u>(6,540)</u>		<u>(6,540)</u>
Net assets			<u><u>14,329,301</u></u>		<u><u>12,299,269</u></u>
The funds of the charity:					
Restricted funds	21		1,819,838		2,114,270
Unrestricted funds	21		7,509,463		5,184,999
Designated funds	21		<u>5,000,000</u>		<u>5,000,000</u>
Total funds			<u><u>14,329,301</u></u>		<u><u>12,299,269</u></u>

These financial statements were approved by the members of the Board of Trustees on 22 July 2021 and signed on their behalf by:



Juliet Smith
Chairperson



Christopher Thomas
Secretary

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

The notes on pages 22 to 38 form part of these financial statements.

**THE MARTLETS HOSPICE LIMITED
CHARITY BALANCE SHEET
FOR THE YEAR ENDED 31 MARCH 2021**

	Notes	2021		2020	
		£	£	£	£
Fixed assets:					
Tangible assets	12		2,983,921		3,098,674
Intangible assets	13		8,000		14,000
Investment property	11		1,850,000		1,705,000
Investments	14		<u>3,464,972</u>		<u>2,656,842</u>
Total fixed assets			8,306,893		7,474,516
Current assets:					
Debtors	17	4,336,153		2,408,096	
Cash at bank and in hand		<u>3,157,830</u>		<u>3,140,025</u>	
		7,493,983		5,548,121	
Liabilities:					
Creditors: Amounts falling due within one year	18	<u>(1,176,376)</u>		<u>(1,106,248)</u>	
Net current assets			<u>6,317,607</u>		<u>4,441,873</u>
Total assets less current liabilities			14,624,500		11,916,389
Creditors: Amounts falling due in greater than one year	19		<u>(13,528)</u>		<u>(16,576)</u>
Net assets			<u><u>14,610,972</u></u>		<u><u>11,899,813</u></u>
The funds of the charity:					
Restricted funds	21		1,819,838		2,114,270
Unrestricted funds			7,791,134		4,785,543
Designated funds	21		<u>5,000,000</u>		<u>5,000,000</u>
Total funds			<u><u>14,610,972</u></u>		<u><u>11,899,813</u></u>

These financial statements were approved by the members of the Board of Trustees on 22 July 2021 and signed on their behalf by:



Juliet Smith
Chairperson



Christopher Thomas
Secretary

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

The notes on pages 22 to 38 form part of these financial statements.

THE MARTLETS HOSPICE LIMITED
CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 MARCH 2021

	Notes	2021 £	2020 £
Cash flows from operating activities:			
Net cash provided by operating activities	23	313,407	(738,739)
Cash flows from investing activities:			
Dividends and interest receivable		134,976	163,675
Purchase of tangible fixed assets		(349,242)	(225,864)
Purchase of intangible fixed assets		-	(20,000)
Purchase of investments		(584,022)	(363,251)
Investment property capital improvements		-	(45,588)
Proceeds from sale of investments and fixed assets		552,189	473,029
Net cash provided by investing activities		<u>(246,099)</u>	<u>(17,999)</u>
Change in cash and cash equivalents in the reporting period		67,308	(756,738)
Cash and cash equivalents at the beginning of the reporting period		3,206,734	3,963,472
Cash and cash equivalents at the end of the reporting period	24	<u><u>3,274,042</u></u>	<u><u>3,206,734</u></u>

THE MARTLETS HOSPICE LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2021

1 ACCOUNTING POLICIES

Company Information

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

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

1.1 Basis of Preparation

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

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

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

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

1.2 Basis of consolidation

The results of The Martlets Trading Co Limited and Martlets Care Limited have been consolidated on a line by line basis. The results for the subsidiaries are disclosed in note 15.

1.3 Going concern

At the Balance Sheet date the group had net assets of £14,329,301 including listed investments of £3,464,970 and cash balances of £3,274,042. Subsequent to the year end and in light of the COVID-19 pandemic, the trustees have assessed whether the use of going concern is appropriate and have considered possible events or conditions that might cast significant doubt on the ability of the group to continue as a going concern. The trustees have made this assessment for a period of at least one year from the date of the approval of these financial statements. In particular, the trustees have considered the group's forecasts and projections and have taken account of pressures on income. After making enquiries, the trustees have concluded that there is a reasonable expectation that the group has adequate resources to continue in operational existence for the foreseeable future. The group therefore continues to adopt the going concern basis in preparing its financial statements.

1.4 Incoming resources

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

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

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

THE MARTLETS HOSPICE LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2021

1 ACCOUNTING POLICIES (CONTINUED)

1.5 Government grant receivable

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

1.6 Donated goods

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

1.7 Resources expended and the basis of allocation of costs

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

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

1.8 Fixed assets

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

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

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

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

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

1.9 Intangible fixed assets

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

Website	-	25% straight line
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1.10 Stock

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

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

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

THE MARTLETS HOSPICE LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2021

1 ACCOUNTING POLICIES (CONTINUED)

1.11 Investments

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

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

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

1.12 Investment property

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

1.13 Financial assets

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

1.14 Financial liabilities

Basic financial liabilities are initially measured at transaction price.

1.15 Leases

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

1.16 Taxation

The 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 charged incurred by the Group is based on taxable profit for the year and included as a liability at the balance sheet date where necessary.

1.17 Deferred taxation

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

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

THE MARTLETS HOSPICE LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2021

1 ACCOUNTING POLICIES (CONTINUED)

1.18 Pension costs and other post-retirement benefits

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

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

1.19 Fund accounting

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

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

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

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

1.20 Critical accounting judgements and key sources of estimation uncertainty

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

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

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

Valuation of investment properties

The investment properties owned by the group have been valued by Cubitt and West in February 2021. The trustees believe this valuation is appropriate and reflects the value of the investment properties as at 31 March 2021.

2 DONATIONS AND LEGACIES

	Unrestricted Funds £	Restricted Funds £	Total 2021 £	Total 2020 £
Patient related donations	274,820	-	274,820	225,781
Legacies receivable	2,994,173	-	2,994,173	2,848,535
General donations from individuals	541,381	-	541,381	480,306
Corporate donations	213,818	-	213,818	118,148
Donated goods Gift Aid scheme	35,140	-	35,140	383,599
Charitable Trust donations	148,136	154,050	302,186	216,787
	<u>4,207,468</u>	<u>154,050</u>	<u>4,361,518</u>	<u>4,273,156</u>

THE MARTLETS HOSPICE LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2021

3 INCOME FROM CHARITABLE ACTIVITIES

	Unrestricted Funds	Restricted Funds	Total 2021	Total 2020
	£	£	£	£
CCG grants	2,573,469	-	2,573,469	2,073,889
COVID-19 grants	544,447	1,761,467	2,305,914	-
Other grants	-	-	-	549,460
Other services	55,761	-	55,761	27,247
	<u>3,173,677</u>	<u>1,761,467</u>	<u>4,935,144</u>	<u>2,650,596</u>

4 INCOME FROM OTHER TRADING ACTIVITIES

	Unrestricted Funds	Restricted Funds	Total 2021	Total 2020
	£	£	£	£
Shop sales	401,132	-	401,132	1,072,939
Recycled sales	15,346	-	15,346	403,992
New Goods sales	34,414	-	34,414	99,194
Care packages	721,352	-	721,352	953,867
Respite packages	159,873	-	159,873	218,422
Functions and events income	89,505	-	89,505	562,927
Collection boxes	3,089	-	3,089	15,180
Lottery income	698,004	-	698,004	725,666
Other income	-	-	-	2,000
	<u>2,122,715</u>	<u>-</u>	<u>2,122,715</u>	<u>4,054,187</u>

5 INVESTMENT INCOME

	Unrestricted Funds	Restricted Funds	Total 2021	Total 2020
	£	£	£	£
Dividend income	63,078	-	63,078	85,882
Interest income	3,806	-	3,806	35,519
Rental income	68,092	-	68,092	42,274
	<u>134,976</u>	<u>-</u>	<u>134,976</u>	<u>163,675</u>

6 EXPENDITURE ON RAISING FUNDS

	Unrestricted Funds	Restricted Funds	Total 2021	Total 2020
	£	£	£	£
Activities undertaken directly				
Staff costs	1,200,379	-	1,200,379	1,819,654
Other costs	241,258	-	241,258	1,105,125
	<u>1,441,637</u>	<u>-</u>	<u>1,441,637</u>	<u>2,924,779</u>
Support costs				
Staff costs	156,966	-	156,966	272,400
Other costs	697,735	-	697,735	163,689
	<u>854,701</u>	<u>-</u>	<u>854,701</u>	<u>436,089</u>
	<u>2,296,338</u>	<u>-</u>	<u>2,296,338</u>	<u>3,360,868</u>

THE MARTLETS HOSPICE LIMITED
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7 EXPENDITURE ON CHARITABLE ACTIVITIES

	Unrestricted Funds	Restricted Funds	Total 2021	Total 2020
	£	£	£	£
Activities undertaken directly				
Staff costs	3,237,581	1,819,145	5,056,726	4,867,560
Other costs	438,154	124,235	562,389	962,847
	<u>3,675,735</u>	<u>1,943,380</u>	<u>5,619,115</u>	<u>5,830,407</u>
Support				
Staff costs	1,586,481		1,586,481	1,185,658
Other costs	921,446	-	921,446	848,163
	<u>2,507,927</u>	<u>-</u>	<u>2,507,927</u>	<u>2,033,821</u>
	<u>6,183,662</u>	<u>1,943,380</u>	<u>8,127,042</u>	<u>7,864,228</u>

8 ANALYSIS OF SUPPORT COSTS

	Unrestricted funds	Restricted funds	Total 2021	Total 2020
	£	£	£	£
Staff costs	1,294,287	-	1,294,287	1,458,058
Printing and stationery	44,377	-	44,377	33,178
Advertising	23,016	-	23,016	65,262
Legal and professional fees	69,943	-	69,943	103,316
Auditor's remuneration	20,594	-	20,594	19,000
Conference and training	18,544	-	18,544	48,226
Computer running costs	381,362	-	381,362	331,251
Service contracts	22,906	-	22,906	12,195
Repairs and renewals	192,414	-	192,414	91,341
Travel and motor costs	45,364	-	45,364	8,350
Rent and rates	466,669	-	466,669	81,199
Heat and light	67,699	-	67,699	11,426
Telephone costs	56,981	-	56,981	47,851
Insurance	40,181	-	40,181	38,427
Subscription costs	9,567	-	9,567	-
Other fundraising	-	-	-	60,372
Recruitment	-	-	-	4,770
Investment management	20,311	-	20,311	19,319
Bank charges	30,176	-	30,176	-
Other costs	67,352	15,892	83,244	36,369
Depreciation costs	190,264	-	190,264	-
Impairment of assets	284,729	-	284,729	-
	<u>3,346,736</u>	<u>15,892</u>	<u>3,362,628</u>	<u>2,469,910</u>

Included within Support Costs above are Governance Costs. These costs include auditor's remuneration of £20,594 (2020 £19,000).

9 STAFF COSTS

	2021	2020
	£	£
Wages and salaries	6,353,937	7,121,689
Social security costs	558,181	575,117
Pension costs	455,312	448,466
	<u>7,367,430</u>	<u>8,145,272</u>

Included in the above wages and salaries is £30,047 (2020 - £nil) of redundancy payments, due and paid in the year.

THE MARTLETS HOSPICE LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2021

9 STAFF COSTS (continued)

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

	2021 Number	2020 Number
Direct charitable activities	141	151
Administration	38	39
Fundraising	12	15
Martlets Care Limited	50	63
The Martlets Trading Co Limited	30	36
	271	304

The number of employees whose emoluments paid by Martlets were over £60,000, excluding any pensions or national insurance contributions, were:

	2021 £	2020 £
£60,000 - £70,000	4	2
£70,000 - £80,000	1	2
£80,000 - £90,000	-	1
£90,000 - £100,000	1	2
£100,000 - £110,000	-	1
£120,000 - £130,000	1	-
£140,000 - £150,000	1	-
	8	8

Of the employees, whose emoluments exceed £60,000, 5 (2020: 8) have retirement benefits accruing under defined benefit pension schemes. Pension contributions for higher paid employees in the year amounted to £88,171 (2020 - £65,511).

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

During the year key management personnel received total remuneration of £585,712 (2020: £422,749).

10 TRUSTEE REMUNERATION

The trustees did not receive any remuneration during the year (2020 - £nil). No trustees received reimbursement in the year (2020 - £201).

11 INVESTMENT PROPERTY

CHARITY AND GROUP

Fair Value

At 1 April 2020	1,705,000
Revaluations	145,000
At 31 March 2021	1,850,000

The Charity acquired the investment properties from legacy bequests received between 2017 and 2020. The fair value of the investment properties have been arrived at on the basis of valuation made by Cubitt and West in February 2021. The Trustees have considered the valuation by Cubitt and West in light of COVID-19 pandemic on the property market and believe this value is reflective of the property values as at 31 March 2021.

Historical cost of the investment properties is £1,732,329 (2020 - £1,732,329).

THE MARTLETS HOSPICE LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2021

12 TANGIBLE FIXED ASSETS

GROUP	Asset Under Construction	Leasehold buildings	Furniture & equipment	Computer equipment	Motor vehicles	Total
	£	£	£	£	£	£
Cost:						
At 1 April 2020	148,767	3,837,547	372,787	193,288	40,593	4,592,982
Additions	175,726	-	-	152,681	20,835	349,242
At 31 March 2021	324,493	3,837,547	372,787	345,969	61,428	4,942,224
Depreciation:						
At 1 April 2020	-	1,004,836	270,190	162,590	20,577	1,458,193
Charge for the year	-	56,654	36,333	67,110	14,717	174,814
Impairment	-	284,729	-	-	-	284,729
At 31 March 2021	-	1,346,219	306,523	229,700	35,294	1,917,736
Net Book Value:						
At 31 March 2021	324,493	2,491,328	66,264	116,269	26,134	3,024,488
At 31 March 2020	148,767	2,832,711	102,597	30,698	20,016	3,134,789
CHARITY						
	£	£	£	£	£	£
Cost:						
At 1 April 2020	148,767	3,837,547	319,623	193,288	40,593	4,539,818
Additions	175,726	-	-	152,681	-	328,407
At 31 March 2021	324,493	3,837,547	319,623	345,969	40,593	4,868,225
Depreciation:						
At 1 April 2020	-	1,004,836	253,141	162,590	20,577	1,441,144
Charge for the year	-	56,654	25,159	67,110	9,508	158,431
Impairment	-	284,729	-	-	-	284,729
At 31 March 2021	-	1,346,219	278,300	229,700	30,085	1,884,304
Net Book Value:						
At 31 March 2021	324,493	2,491,328	41,323	116,269	10,508	2,983,921
At 31 March 2020	148,767	2,832,711	66,482	30,698	20,016	3,098,674

THE MARTLETS HOSPICE LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2021

13 INTANGIBLE FIXED ASSETS

	GROUP £	CHARITY £
Website costs		
Cost:		
At 1 April 2020	38,900	20,000
Additions	-	-
At 31 March 2021	38,900	20,000
Depreciation:		
At 1 April 2020	15,450	6,000
Charge for the year	15,450	6,000
At 31 March 2021	30,900	12,000
Net Book Value:		
At 31 March 2021	8,000	8,000
At 31 March 2020	23,450	14,000

14 FIXED ASSET INVESTMENTS

	GROUP Listed Investments £	Subsidiary Investments £	CHARITY Listed Investments £	Total
Cost:				
At 1 April 2020	2,656,840	2	2,656,840	2,656,842
Additions	584,022	-	584,022	584,022
Disposals	(552,189)	-	(552,189)	(552,189)
Revaluations	776,297	-	776,297	776,297
At 31 March 2021	3,464,970	2	3,464,970	3,464,972

At 31 March 2021, the historic cost of the listed investments was £2,694,769 (2020: £2,547,371).

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

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

THE MARTLETS HOSPICE LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2021

15 SUBSIDIARY COMPANIES

15a Martlets Care Limited

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

	2021	2020
	£	£
Income statement		
Turnover	881,225	1,174,289
Cost of sales	(603,203)	(738,040)
Gross profit	278,022	436,249
Operating expenses	(261,931)	(271,958)
Other operating income	48,156	-
Net profit	64,247	164,291
Gift aid donated to hospice	(167,163)	(101,290)
Profit for the financial year being the retained profit	(102,916)	63,001
Balance sheet		
	2021	2020
	£	£
Assets	248,308	233,204
Liabilities	(186,932)	(68,912)
Net assets	61,376	164,292
Represented by:		
Capital	1	1
Reserves	61,375	164,291
	61,376	164,292

15b The Martlets Trading Co Limited

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

	2021	2020
	£	£
Income statement		
Turnover	478,994	1,365,080
Cost of sales	(28,186)	(67,130)
Gross profit	450,808	1,297,950
Operating expenses	(1,337,291)	(1,224,434)
Other operating income	327,020	208,501
(Loss)/ Profit before tax	(559,463)	282,017
Taxation	38,000	(36,205)
Net profit	(521,463)	245,812
Gift aid donated to hospice	(56,748)	-
Profit for the financial year being the retained profit	(578,211)	245,812

THE MARTLETS HOSPICE LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2021

15b The Martlets Trading Co Limited (continued)

Balance sheet	2021	2020
	£	£
Assets	251,692	390,466
Liabilities	<u>(594,738)</u>	<u>(155,301)</u>
Net assets	<u>(343,046)</u>	<u>235,165</u>
Represented by:		
Capital	1	1
Reserves	<u>(343,047)</u>	<u>235,164</u>
	<u>(343,046)</u>	<u>235,165</u>

16. STOCK	GROUP		CHARITY	
	2021	2020	2021	2020
	£	£	£	£
Shop stock	<u>15,162</u>	<u>26,442</u>	<u>-</u>	<u>-</u>

17 DEBTORS	GROUP		CHARITY	
	2021	2020	2021	2020
	£	£	£	£
Trade debtors	255,230	590,005	158,347	462,825
Amounts due from group companies	-	-	481,290	17,541
Prepayments and accrued income	3,800,522	2,187,515	3,638,887	1,853,257
Social security and other taxes	71,872	86,456	56,425	66,577
Corporation tax recoverable	38,000	-	-	-
Other debtors	17,298	7,896	1,204	7,896
	<u>4,182,922</u>	<u>2,871,872</u>	<u>4,336,153</u>	<u>2,408,096</u>

Included within prepayments and accrued income is legacy income receivable of £3,231,900 (2020 - £1,579,074) due to the Charity.

Included in the Charity total above is £370,000 (2020- £nil) of debtors due after 1 year.

18 CREDITORS: Amounts falling due within one year

	GROUP		CHARITY	
	2021	2020	2021	2020
	£	£	£	£
Trade creditors	255,246	166,017	165,152	126,441
Amounts due to group companies	-	-	-	2,773
Accruals and deferred income	873,875	782,741	797,420	757,510
Social security and other taxes	178,375	185,198	118,483	127,556
Other creditors	100,501	159,769	95,321	91,968
	<u>1,407,997</u>	<u>1,293,725</u>	<u>1,176,376</u>	<u>1,106,248</u>

THE MARTLETS HOSPICE LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2021

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

Deferred income	GROUP £	CHARITY £
Balance as at 1 April 2020	490,645	490,645
Movement in the year	83,902	68,380
Balance as at 31 March 2021	<u>574,547</u>	<u>559,025</u>

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

19 CREDITORS: Amounts falling due after 1 year

	GROUP		CHARITY	
	2021 £	2020 £	2021 £	2020 £
Other creditors	75,746	25,593	13,528	16,576
	<u>75,746</u>	<u>25,593</u>	<u>13,528</u>	<u>16,576</u>

20 PENSION COMMITMENTS

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

- NHS Superannuation Scheme
- Federated Flexiplan
- Royal London

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

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

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

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

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

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

THE MARTLETS HOSPICE LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2021

20 PENSION COMMITMENTS (continued)

The total contributions made by the Group were as follows:

	GROUP		CHARITY	
	2021 £	2020 £	2021 £	2020 £
Martlets Group Personal Pension Plans	253,713	218,299	213,866	173,879
NHS Defined Benefit Scheme	241,447	230,167	241,447	230,167
	<u>495,160</u>	<u>448,466</u>	<u>455,313</u>	<u>404,046</u>

Total contributions outstanding at the year-end amounted to £nil (2020 - £nil) for the Group and Charity.

21 RESERVES

	At 1 April 2020 £	Income £	Expenditure £	Transfers £	At 31 March 2021 £
Unrestricted funds					
General funds	5,184,999	10,499,895	(8,442,000)	266,569	7,509,463
Restricted funds					
<u>Capital Funds</u>					
Hospice Development	1,366,386	-	(27,328)	-	1,339,058
Refreshing Spaces	224,571	-	(4,491)	(220,080)	-
Renaissance Project	316,252	-	(6,325)	(46,489)	263,438
Renovations Fund	24,010	-	(480)	-	23,530
Gateways to Care Project	49,534	-	(991)	-	48,543
Car Fund	6,005	-	(6,005)	-	-
IPU Equipment	22,400	-	(4,480)	-	17,920
MBE Project	-	35,000	-	-	35,000
	<u>2,009,158</u>	<u>35,000</u>	<u>(50,100)</u>	<u>(266,569)</u>	<u>1,727,489</u>
<u>Revenue Funds</u>					
Hospice Running costs	8,524	-	(8,524)	-	-
Thompson Training Fund	60,000	-	(20,000)	-	40,000
Cooper Family Fund	29,363	-	(29,363)	-	-
Carers Project	7,225	39,092	(21,058)	-	25,259
Hospice at Home	-	29,000	(29,000)	-	-
COVID-19 Capacity Grant	-	1,761,467	(1,761,467)	-	-
Other	-	50,958	(23,868)	-	27,090
	<u>105,112</u>	<u>1,880,517</u>	<u>(1,893,280)</u>	<u>-</u>	<u>92,349</u>
Total restricted funds	2,114,270	1,915,517	(1,943,380)	(266,569)	1,819,838
Designated funds					
Hospice Development	5,000,000	-	-	-	5,000,000
Total funds	<u>12,299,269</u>	<u>12,415,412</u>	<u>(10,385,380)</u>	<u>-</u>	<u>14,329,301</u>

Restricted funds

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

Hospice Development

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

THE MARTLETS HOSPICE LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2021

21 RESERVES (continued)

Restricted funds (continued)

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

Renovation 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. The car is restricted for use by our Community Nursing Team.

Gateway to Care Project

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

IPU Equipment

IPU equipment was purchased with a restricted donation in 2019.

MBE Project

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

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 15-year period to support the training requirements of the Hospice.

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.

Carers Project

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

THE MARTLETS HOSPICE LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2021

21 RESERVES (continued)

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.

COVID-19 Capacity Grant

The NHSE awarded funding to allow the Hospice to make available bed capacity and community support from April 2020 to March 2021 to provide support to people with complex needs in the context of the COVID-19 situation and to provide bed capacity and community support.

Others

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

Designated funds

Hospice Development

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

22 ANALYSIS OF NET ASSETS

As at 31 March 2021

	GROUP			Total
	Fixed assets	Fixed asset investments	Other net assets	
	£	£	£	
Unrestricted Funds	1,065,431	-	6,444,032	7,509,463
Restricted Funds	1,959,057	-	(139,219)	1,819,838
Designated Funds	-	5,314,970	(314,970)	5,000,000
	<u>3,024,488</u>	<u>5,314,970</u>	<u>5,989,843</u>	<u>14,329,301</u>

	CHARITY			Total
	Fixed assets	Fixed asset investments	Other net assets	
	£	£	£	
Unrestricted Funds	1,024,864	-	6,766,270	7,791,134
Restricted Funds	1,959,057	-	(139,219)	1,819,838
Designated Funds	-	5,314,970	(314,970)	5,000,000
	<u>2,983,921</u>	<u>5,314,970</u>	<u>6,312,081</u>	<u>14,610,972</u>

As at 31 March 2020

	GROUP			Total
	Fixed assets	Fixed asset investments	Other net assets	
	£	£	£	
Unrestricted Funds	1,149,081	-	4,035,918	5,184,999
Restricted Funds	2,009,158	-	105,112	2,114,270
Designated Funds	-	4,361,840	638,160	5,000,000
	<u>3,158,239</u>	<u>4,361,840</u>	<u>4,779,190</u>	<u>12,299,269</u>

THE MARTLETS HOSPICE LIMITED
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22 ANALYSIS OF NET ASSETS (continued)

	Fixed assets £	CHARITY Fixed asset investments £	Other net assets £
Unrestricted Funds	1,002,021	1,834,867	5,289,693
Restricted Funds	2,056,826	-	121,745
Designated Funds	-	2,500,000	-
	<u>3,058,847</u>	<u>4,334,867</u>	<u>5,411,438</u>

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

	2021 £	2020 £
Net income/(expenditure) for the reporting period	2,030,032	(505,883)
Adjustments for:		
Depreciation of tangible fixed assets	174,814	135,747
Amortisation of intangible fixed assets	15,450	10,725
Impairment of tangible fixed assets	284,729	-
Gains on investments	(776,297)	408,837
Revaluation of investment properties	(145,000)	-
Investment income	(134,976)	(163,675)
Investment property donation	-	(500,000)
(Increase)/ decrease in stocks	11,280	21,552
(Increase)/decrease in debtors	(1,311,050)	(539,623)
Increase/(decrease) in creditors	164,425	393,581
Net cash provided by/(used in) operating activities	<u>313,407</u>	<u>(738,739)</u>

24 ANALYSIS OF CASH AND CASH EQUIVALENTS

Cash in hand	3,274,042	3,206,734
Total cash and cash equivalents	<u>3,274,042</u>	<u>3,206,734</u>

25 SHARE CAPITAL

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

26 OPERATING LEASES

At 31st March 2021 and 31st March 2020 the Group had annual commitments under operating leases as set out below:

	2021 £	2020 £
Within 1 year	434,847	327,296
Between 2 and 5 years	913,215	657,279
After five years	1,752,600	1,778,000
	<u>3,100,662</u>	<u>2,762,575</u>

THE MARTLETS HOSPICE LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2021

27 RELATED PARTY TRANSACTIONS

GROUP

There were no related party transactions in the year.

CHARITY

During the year Martlets Care Limited declared a gift aid payment of £167,163 (2020 - £101,290) to The Martlets Hospice Limited, its parent company. At the year end £92,349 (2020 - £2,773 debtor) was outstanding from the company. This balance includes a loan of £90,000 due to The Martlets Hospice Limited, payable by 31 March 2022. Interest of 0.38% per annum is payable on this loan balance.

During the year The Martlets Trading Co Limited declared a gift aid payment of £56,748 (2020 - £nil) to The Martlets Hospice Limited, its parent company. At the year end £388,940 (2020 - £17,541) was outstanding from the company. This balance includes a loan of £370,000 due to The Martlets Hospice Limited, payable after 31 March 2022. Interest of 0.38% per annum is payable on this loan balance.



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Company Registration No 02326410 (England and Wales)

Registered Charity Number 802145