

Martin House (Limited by Guarantee)
Trustees' report and financial statements
Company registered number 02016332
Charity registration number 517919
For the year ended 30 April 2023

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Trustees' Report

The Trustees, who also act as Directors for the purposes of company law, present their annual report and the audited financial statements for the year ended 30 April 2023.

OBJECTIVES AND ACTIVITIES

The **mission** of Martin House is to help children and young people with a life-limiting condition, along with their families, to live well and fully, offering the best possible end of life care and support to the family in bereavement.

Our **vision** is that every child and young person has access to palliative care when and where they need it.

Our core **values**, which guide all we do, are:

- being child and family focused
- listening to and valuing each other
- delivering high standards in everything we do
- being flexible, responsive, open and honest
- working holistically and in collaboration with others
- being dedicated, compassionate and caring

All our services are free of charge to the families we care for. The Charity Commission's general guidance on public benefit is taken into consideration in all our reviews and plans.

Strategic Aims

Our key strategic aims are to:

- Ensure services are of the highest quality, safety and effectiveness
- Have the right resources to deliver care
- Raise awareness and reach more people
- Meet the diverse needs of children, young people, their families and supporters.

Our current strategic objectives are set out in our Strategic Plan 2019-24, which is available on our website at www.martinhouse.org.uk.

Our achievements and performance against our 2022/23 objectives are set out in the Strategic Report, below.

This year, Martin House has embarked upon preparations for an ambitious project, named "The Build". We expect to sign a contract and start on site towards the end of 2023. Over the next few years, this will see our 37-year-old facilities extensively improved and modernised, to meet the changing needs of our increasingly complex service users. The Build is a £21.9 million project, which includes a brand-new children's wing with larger, ensuite bedrooms to accommodate sizable pieces of medical equipment; themed family bedrooms; a large hydrotherapy pool; a new Education Centre and a comprehensive refurbishment of existing buildings to form a Wellbeing Wing and updated young people's bedrooms and social spaces in the Teenage Wing. The year 22/23 has seen the start of the large capital appeal, vital for The Build's ambitious plans to be realised.

Activities

To achieve our objectives, we deliver high-quality, holistic and specialist palliative care services for children and young people with life-limiting conditions, and their families, from diagnosis to death and beyond. These include:

- Specialist planned care/short breaks
- symptom management
- emergency care
- end of life care
- community care (in the home and other community settings)
- bereavement care
- psychological care and emotional support
- spiritual and pastoral care
- a programme of clinical research and education

Most of these services are delivered from a purpose-built hospice set in six acres of beautiful grounds in Boston Spa, near Wetherby in West Yorkshire. The hospice, the second children's hospice in the UK at the time, was opened in 1987. Since then, it has developed continuously in order to meet the changing needs and expectations of the children, young people and their families who use our services.

The hospice has 9 beds in the House, which cares for the younger children, and 6 beds in Whitby Lodge, which cares for teenagers (from age 13) and young adults up to age 25. This was the first purpose-built teenage and young adult unit in the UK (possibly the world) when it was built in 2002. In addition, there are 9 family bedrooms where parents and siblings can stay and 3 'little rooms' (cooled bedrooms) where children and young people can stay after death until their funeral. Other facilities include a chapel, sensory room, playroom, teenage and young adult recreation area (the Den), recording studio, art room, music room, education/seminar room and outdoor play areas.

Children and young people can be referred, or self-refer, to Martin House at any point from diagnosis, between the ages of 0-19, if they have a life-limiting condition and live in East, North or West Yorkshire. Children's palliative care encompasses the whole family and continues throughout the life of the child or young person up to age 25, and beyond for their family.

STRATEGIC REPORT

Achievements and Performance

Palliative Care

During the year to 30 April 2023, we:

- we cared for 581 children and young people;
- we received 151 new referrals, of which 106 were accepted;
- we accepted 85 new referrals for our bereavement service; and
- 309 hospital night stays were avoided through our care

Referrals are reviewed, using clear criteria and decisions are made during a weekly multi-disciplinary panel. Decisions to not accept referrals are not taken lightly and are usually based around patients not meeting criteria, such as age or a lack of palliative diagnosis.

Sadly, 69 of the children and young people we were caring for died in the year to 30 April 2023. 96% of these children and young people died in their preferred place of death.

Our Clinical Services Team

Martin House is a regional centre for specialist paediatric palliative care.

Our clinical services team consists of specialist and experienced staff who can look after the children and young people staying at the hospice and in the community. We act as a resource for other health services

surrounding us in West, North and East Yorkshire and indeed nationally. We provide highly specialist care and also support, advice and education to many professionals within Yorkshire and the Humber and beyond.

We offer 24/7 Specialist paediatric palliative medicine.

The senior medical team consists of two Consultants in Paediatric Palliative Medicine (one of whom acts as our Chief Medical Officer) and a specialist doctor. In addition, there are part-time specialty doctors, and together they deliver a 24/7 on-call rota. Martin House also supports a specialist trainee in Paediatric Palliative Medicine, as well as other trainees, during their rotations. Additionally, we support Non-Medical Prescriber training for selected members of our team. Our doctors are available for queries/consultation/referrals twenty-four hours a day, seven days a week by telephoning Martin House. They provide specialist palliative care involving symptom control, end of life care, preferred place of death support and advance care planning. They are able to assist in breaking bad news, difficult decision making and other ethical discussions. The medical and clinical nurse specialists team regularly support hospital teams to provide specialist palliative care for in-patients across the region. They also support children and young people in their own homes.

The multi-disciplinary team are highly trained and able to care for children with extremely complex care needs. Our team includes doctors, nurses, clinical nurse specialists, specialist clinical educators, physiotherapists, transition lead, social workers, clinical psychologist, music therapists, play and activity co-ordinator, admissions liaison nurses, artists in residence, a chaplain, bereavement counsellors, cultural liaison officers and care support staff.

We look after children and their families from as early as the antenatal period and continue to look after young people with life-limiting conditions, particularly providing valuable continuity during the transition period where care is transferred from paediatrics to adult services. Care extends through the course of the illness from diagnosis, to end of life. The upper age limit at Martin House is 25.

Our team takes a lead in a number of local, national and international groups including the Royal College of Paediatrics and Child Health Paediatric Palliative Medicine Specialist Committee, Association of Paediatric Palliative Medicine and the Children and Young People's Advance Care Plan Collaborative. We work in partnership with national organisations, such as Together for Short Lives, in advocating for children's and young people's palliative care. In addition, the team take an active role in palliative care education and research, including being principal site investigators for national studies.

Hospice at Home

The Hospice at Home service is a specialist palliative care service, delivered in the community by doctors, nurses and clinical nurse specialists. This means that children can receive specialist palliative care in a place of their choosing. Symptom control, end of life care, advance care planning and time-critical memory making can be delivered in the home environment, should that be the preferred place of care for the family. End of life and urgent care can be provided within the family home, in conjunction with local care providers. The Hospice at Home team support hospital teams with urgent discharge from hospital to home for end-of-life care if that is the family's wish. This support helps ensure thorough and robust planning to ensure the transfer happens safely and smoothly as well as in a timely manner.

Hospital In-reach

Members of our team are able to in-reach into hospitals within the region, to support hospital teams in their delivery of palliative care. This includes:

- Doctors and CNS- Advance care planning; symptom control advice; preferred place of death support; End of Life care support; support with difficult conversations; multi-disciplinary team meetings; signposting and staff support/supervision; support with care after death.
- Music therapists deliver sessions in hospitals to improve family experience and act as a resource for other healthcare staff.

Our cooled bedrooms for care after death

There are two additional bedrooms within Martin House, and one within Whitby Lodge, which we call our 'Little Rooms'. These rooms can be cooled, and we also have blankets and mattresses which cool the body enabling a baby, child or young adult to remain at the hospice after they have died. Parents and siblings can stay at the hospice as well, and it gives them the opportunity to navigate the process of saying goodbye to their child or young person in their own time and in their own way. Families have often said how precious it was to be able to spend this kind of time with their child, when they are also confronted with the demands of making funeral arrangements and resuming some of the activities of daily life.

Clinical Education

Martin House is committed to promoting a culture of learning and development. We have embedded externally validated competencies across all areas of care, ensuring we meet the complex needs of the children and young people we support.

We are committed to developing our contribution to palliative care education outside Martin House, building relationships with stakeholders including neighbouring hospices, community teams, other NHS provider organisations, and universities throughout the region.

We promote Martin House as a learning environment for professional student placements. As part of our commitment to developing the specialty of paediatric palliative medicine, we have continued to support a trainee paediatrician based at Martin House and a specialist trainee in Paediatric Palliative Medicine. We encourage medical, nursing and allied health student placements.

Family Support Team

The care we provide at Martin House is holistic and this is underpinned by the work of our family support team. Clinical psychologists, bereavement counsellors, a chaplain, music therapists, artists-in residence and a play and activity co-ordinator ensure that family stays are about more than just receiving clinical care. Our wider team are also skilled at providing holistic support.

Clinical Psychology

Martin House has a Clinical Psychologist who provides specialist knowledge and skills, ensuring optimal psychological and emotional care for the children and for their families. We now also have an Advanced Family Support and Wellbeing Practitioner who is able to provide highly-specialised family support, alongside our psychologist.

Bereavement team

The bereavement team offers support to families who have lost a child or young person under any circumstances, including those who had life-limiting conditions and children who died suddenly. This is a resource that families can make use of in a wide variety of ways. We offer individual or family meetings, face to face, over the telephone or remotely. Support is family-centred and tailored to individual need. In addition to individual sessions there are groups for bereaved parents, grandparents and siblings.

Chaplain

This role serves to promote holistic pastoral and spiritual care within Martin House. It aims to help the hospice respond sensitively to the needs of families from a wide variety of cultures and faiths. Our chaplain also provides pre-bereavement family support.

Research

Martin House is a leading research active organisation in the field of palliative care for children and young people. Specifically, this entails:

- contributing to the national and international research base on palliative care
- developing and maintaining strong collaborative links with the wider academic and palliative care communities
- identifying and supporting appropriate areas of research, developing research awareness and capability within staff
- informing, where appropriate, the strategic development of Martin House

People & Resources

The People team have been realigned to focus on core employee lifecycle elements, including volunteering processes and engagement within the wider community to encourage positive experiences for all. Improving our employee relations procedures has enabled us to further mitigate risks to the organisation, support managers, introduce new policies and enhance the employee experience. A key focus has been procuring a new people system to improve efficiency and productivity across the whole organisation, providing comprehensive reporting to support workforce planning and decision making in the future.

We have outsourced a new healthcare benefits provider, enabling us to proactively support attendance management and the physical and mental wellbeing of our employee.

We have further enhanced our employee benefits, offering a new health cash plan provider and local discounts on wellbeing and alternative therapies.

Working in partnership with West Yorkshire Integrated Care Board we are hoping to achieve accreditation to make Martin House a Menopause Friendly Employer.

Digital and Data

The first part of the year focused on the provision of a new virtual network to our retail outlets. Following this infrastructure renewal, the focus has been on the change in organisation-wide business applications and improving internal systems and processes. Clinical data is now gathered on SystmOne an electronic patient record, retail data is collected using the Azurri till system and all internal governance data is reported electronically and analysed using Vantage.

All our mobile phones have been upgraded, with new handsets and centrally controlled with a mobile device manager.

We continue to meet the NHS Data Security and Protection Toolkit standards, demonstrating our compliance with the stringent data handling requirements of the NHS.

Marketing and Communications

We introduced a new Head of Marketing and Communications in April with a key focus to review and align the team to concentrating on fundraising campaigns, internal and external comms and digital and ambassador growth. We continue to develop our website capability.

Estates

This year the Estates team have continued with the ongoing programme of maintenance and redecoration at the hospice and gardens to ensure our accommodation for children and families is safe, comfortable and appealing until The Build project is underway. The team have also supported retail with two new shops in Northallerton and Beverley.

A review of the vehicle fleet was undertaken alongside a collaboration with the Retail team to replace the vans used for deliveries and collections as well as reducing some of the pool cars following an analysis of usage.

Health & Safety

Martin House is committed to reporting, monitoring and reviewing safety, health and environmental (SHE) information to aid continual improvement.

The team have continued to build on our health & safety practice during the year, completing the project plan of working towards ISO 45001. As part of this further developments have been made to our SHE communications plan with the marketing and communications team. The Health, Safety, Wellbeing and Environmental (HSWE) Group has continued to play an important part in developing the health & safety agenda and embedding good practice across Martin House. The group have also contributed to the annual internal audit programme.

A review of a number of policies, procedures and risk assessments has also been undertaken and support provided to teams with the development of safe systems of work.

Digital processes for Retail to complete and submit regular health and safety checks have also been developed and a "Green Charter" has also been created with the input of "Martin House Matters" staff forum, the HSWE Group and the Internal Communications Working Group.

Fundraising

It has been a difficult year for Martin House to raise funds as the cost of living crisis continues alongside other challenging external factors. The Fundraising team have worked hard and along with our loyal supporters have raised much needed funds for the Hospice.

We continued to grow our Events portfolio and this year saw the introduction of 'Lets Glow', a family walk in the dark. Following Covid, we saw the return of our flagship event - The Glitter Ball at Ridding Park which was a huge success. The rest of the Events calendar continues to be developed and attract both new and existing supporters.

As part of the Together for Short Lives network, we have been busy with the Morrisons partnership, which has had a great first year and raised vital funds for our work. We are incredibly thankful for the support that all our partners have shown us, not just over the past financial year but on the whole, and we are excited as this income stream continues to grow.

The regional fundraising team continue to be active in increasing our profile across the region. It is due to events and relationships across the patch that such strong income within the regional team was generated this year. We are incredibly fortunate to have such dedicated supporters within the area who we can work with to grow and maximise all income and awareness generating activity.

The income we have received from legacies has once again been generous - hugely contributing to our overall annual income. We were also able to deliver our Christmas direct mail sharing an emotional story of one of our family's experiences at Martin House which was well received across the region and generated much awareness and income.

We were very fortunate to receive a one-off donation of £495,843 from Southampton Hospital Charity to help fund our work.

We have had a solid year growing our lottery and are grateful to all our weekly players.

Fundraising standards and compliance

Martin House is a well-respected regional charity that is very much part of the communities we serve, aiming to deliver high standards in everything we do - be this in the care we provide or in our fundraising activities.

We strive to achieve the highest fundraising standards and we value our wonderful supporters. We expect our fundraising team to act honestly and with integrity at all times and to ensure we remain compliant with all the laws and guidelines that govern us.

We want to inspire trust in our supporters and ensure that all supporters have an excellent experience when donating to Martin House.

We stay up to date with developments in charity regulation, data protection and the Fundraising Preference Service (FPS) to make sure we are legally compliant and adhering to all guidelines. Our fundraisers also follow the Institute of Fundraising's Code of Practice and we are registered with the Fundraising Regulator.

We take our supporters' data very seriously and we collect and process data in accordance with the Data Protection Act 2018 and the General Data Protection Regulation.

We do not pass our supporters' details to any other charity or organisation for their marketing purposes. We do however need to share limited information about our supporters in order to send them our newsletter which is done by an external mailing house, and in all such cases we have our supporters' explicit permission to do so. Any external groups acting on our behalf have to sign an agreement confirming that they will process all our data properly and maintain confidentiality.

We take appropriate physical, electronic and managerial measures to ensure we keep supporters' information secure, accurate and up to date and we only keep it as long as is reasonable and necessary.

Income Generation Complaints

We work hard to ensure that we deliver a high-quality service to our supporters but we may not always get it right. If this happens, we would like to hear about it as soon as possible so we can resolve the problem. If, after this, a supporter feels as though the issue has not been resolved then they may make a complaint. Details of how to complain are listed on our website. In the last year we have received 5 complaints relating to fundraising and lottery activity. These have all been resolved in line with our policy.

Retail

Our shops have had a brilliant year. Our Furniture Warehouse performed exceptionally well and all the other shops delivered against their targets. It is thanks to our loyal customers and donors that we are able to see such great success in our shops.

Financial review

Principal sources of income

Our principal sources of income are statutory funding, investment income, income from our shops and, by far the largest source, fundraising from the public.

We are reliant upon fundraising from the public to fund the large majority of our annual running costs. This funding comes to Martin House as donations, legacies, and profits made in our shops. We continue to be overwhelmed by the generosity of the public in supporting us in our charitable objectives.

Grant funding from the NHS Integrated Care Boards and NHS England towards the cost of our service provision covered around 30% of our expenditure on charitable activities and represents 18% of our total income.

Result for the year

The Trustees had anticipated incurring a deficit this year, resulting in large from the planned investment in infrastructure, staff and inflationary pressures. The result for the year is, however, a surplus of £342,662. Most significantly in the year, "The Build" capital appeal commenced and raised in excess of £1m of valuable funds towards the project which is due to start in FY 23/24. This is a significant reason behind our surplus position for the year which, otherwise, would have been a deficit for core income and expenditure alone. The result for the year also follows significant efforts by the income generation team to adapt our ways of fundraising in the face of a challenging environment with the effects of the cost of living crisis being evident.

Our financial position has been managed carefully for over 35 years, allowing us to build reserves. We are fortunate that these reserves are currently providing us with some security and stability, whilst we face a number of significant challenges in high inflationary times.

To support our planned investment, the Trustees agreed a medium term financial plan that would see some annual deficits incurred for a few years, to be funded from our reserves, before returning to break-even. The accounts therefore include a designation of reserves of £2m to cover the anticipated deficits.

The Trustees believe that this strategy is a good and appropriate use of our reserves and are confident that we will remain financially sustainable and able to support our children and families in the longer term. These deficits are necessary to ensure that we continue to invest in our infrastructure and improve our services to children and young people.

Our hospice building is now 37 years old, and we are to shortly undertake "The Build", to improve and modernise premises over the next few years, having received planning permission in late 2020. This will require significant investment and, although we are raising funds through a capital appeal as noted above, we also intend to fund this project in part from our reserves. The Trustees have designated reserves of £10.5m to contribute to the cost of the project.

Financial position

The Balance Sheet shows total funds at 30 April 2023 of £23,106,170. Unrestricted funds (including both designated and general funds) are represented by tangible fixed assets of £4,583,898, investments of £16,885,021 and net current assets of £1,637,251.

Reserves policy

The Trustees feel that it is prudent to target a minimum level of free unrestricted reserves sufficient to cover the full operating costs of the hospice (care, fundraising, administration and governance) for at least six months, enabling the charity to tolerate short-term variations in its income streams, and meet the development needs set out in the strategic plan.

The Trustees also consider that a minimum of three months' operating costs should be held in free reserves, in cash and short-term investment assets capable of conversion into cash within 14 days, to enable steady cash flow management.

Martin House makes a long-term commitment to those families that depend on its services and needs to provide a reliable and consistent service beyond the immediate future. The Trustees recognise that unrestricted reserves are necessary to secure future services, meet unexpected expenses, absorb setbacks and take advantage of change and opportunities for development when they arise. The Trustees also recognise that much of the organisation's income is uncertain and susceptible to fluctuations beyond its control. Having assessed these risks, the Trustees' aim is to build and maintain a financial cushion against the uncertainties that affect our operating environment whilst also generating income to help meet current operating costs.

The Trustees consider that one year's running costs, anticipated to be approximately £10.5m by 2024, would provide appropriate security against such uncertainties.

In anticipation of further modest deficits, alongside an extensive refurbishment and new-build programme, the Trustees recognise that during the period of the strategic plan it may not be the case that at all times we will hold one year's running costs in reserve, but this is the target minimum level that we would plan to return to within the five year period of the strategic plan.

At 30 April 2023, our free reserves, including investment funds not designated for a particular purpose (i.e. Funds held for The 'Build' project of £10.5m and deficit budgets of £2.0m), were £4,580,479. While this represents less than a year's running costs, this level of reserves amounts to 6 months of current costs and is therefore in line with our required minimum of 6 months running costs.

Over the years, the Trustees have been able to invest surplus free reserves in an Investment Fund, to provide long-term commitment and support to the families dependent on Martin House. The annual income generated by the Investment Fund makes a valuable contribution to our annual running costs. The majority of our reserves are currently invested in this fund, and it is the intention of the Trustees that the Investment Fund will reduce, as required, to help to fund both the deficits arising and our hospice refurbishment and new-build project.

Investment Policy

The Trustees' investment policy is to produce the best financial return within an acceptable level of risk. The investment objective is to generate a total return in excess of inflation over the long term whilst generating an income to support on-going activities.

The Trustees recognise that they have a duty to consider the extent to which social, environmental or ethical considerations are taken into account in the selection, retention and realisation of investments. At present, no investment restrictions are placed on the investment managers, Brewin Dolphin, who manage the portfolio on a discretionary basis. Analysis is also provided to Trustees to inform on all aspects of the environmental, social and corporate governance characteristics of our portfolios.

In order to meet the medium-term cashflow requirements of the strategic plan, Martin House currently has two investment portfolios. The 'long term' portfolio is invested to mitigate the risk of inflation over the long term (10 years or more), with a moderate investment risk. The 'medium-term' portfolio (3-5 years) adopts a lower risk profile and has a bias to income rather than capital growth.

For the year ended 30 April 2023, the long term portfolio gave a total return of -1.20% compared to the MSCI WMA Balanced Index total return of -0.76%. The medium-term portfolio gave a total return of -0.95% compared to the MSCI WMA Conservative Index total return of -4.46%.

Plans for future periods

2019-24 Strategic Plan

Following the end of our previous Strategic Plan for 2015-18, the team at Martin House created a new and ambitious 2019-24 Strategic Plan. This plan was adopted and approved by the Board of Trustees in January 2019.

The key strategic aims of the new strategy are:

- Ensure services are of the highest quality, safety and effectiveness
- Have the right resources to deliver care
- Raise awareness and reach more people
- Meet the diverse needs of children, young people, their families and supporters

The Strategic Plan is supported by three Directorate Plans:

- Care Directorate Plan
- Income Generation Directorate Plan
- Corporate Services Directorate Plan

These Directorate Plans set out the objectives that will ensure that our key strategic aims are achieved. Each year during the 2019-24 strategic plan period, an annual Operational Plan is produced that ensures that we work towards achieving our overall strategic objectives. A new strategic plan is now in development.

Principal risks and uncertainties

The major risks to which Martin House is exposed and the systems in place to mitigate those risks are set out in the strategic risk register. This is reviewed monthly by the Strategic Leadership Team and quarterly by the Finance and Resources Committee. The Clinical Effectiveness Committee reviews a more detailed operational risk register at each meeting to review clinical risks. The strategic risk register is included in the Board papers for every meeting of Trustees.

The Trustees believe there is an effective system of risk management in place and that all major risks are being mitigated satisfactorily.

STRUCTURE, GOVERNANCE AND MANAGEMENT

Structure and Governing Documents

Martin House is a registered charity and a company limited by guarantee. The company was incorporated on 1 May 1986 and registered as a charity on 28 April 1987. It is governed by a Memorandum and Articles of Association, which were amended at an EGM on 21 July 2016, following a comprehensive review by the Trustees. The charity has a wholly-owned subsidiary, Martin House (Shops) Limited, which is incorporated in the UK and registered in England (company number 2166209).

The Board of Trustees acts collectively and is responsible for the overall philosophy and strategic direction of Martin House and ensuring that the charity is solvent, well-run, acts within its governing document and other relevant legislation. The Board meets at least quarterly and delegates the general management and operational activities of the hospice to the Strategic Leadership Team, via the Chief Executive.

The Board has a Scheme of Delegation, which sets out which of its powers may be delegated and to whom. This is reviewed regularly and revised as appropriate.

The Board is supported by a number of committees and working groups, each of which has clear terms of reference:

- The Finance and Resources Committee exercises oversight of Martin House's finances, including its systems of financial control and risk management, budgets and accounts, capital expenditure and the management of its investments and cash resources. The Committee also reviews the results of the annual statutory audit and oversees the conduct and appointment of our auditors. The Committee is also responsible for employee remuneration, terms and conditions and appropriate policies and practices.
- The Clinical Effectiveness Committee provides assurance to the Board that Martin House has a robust framework for the management of clinical systems and processes and that clinical care is patient/service user-centred, safe, of high quality, evidence based, appropriate and provides good outcomes. The Committee is also responsible for appropriate policies and practices.
- The Build Project Board - established in 2020 to oversee The Build project and advise the Board of Trustees in relation to the project.

Charity Governance Code

The Charity Governance Code for Larger Charities was published by the Charity Commission in July 2017. This Code is designed as a tool to support continuous improvement. Compliance is not mandatory - trustees are encouraged to meet the principles and outcomes of the Code by either applying the recommended practice or explaining what they have done instead or why they have not applied it. Charity boards that are using this Code effectively will regularly revisit and reflect on the Code's principles.

Martin House is committed to complying with best practice in relation to governance. Trustees have performed a full self-assessment of compliance against the seven principles included within the Code. The charity considers that it is compliant with the Code.

Six Trustees, Jenny Wilkinson, Stephen Plews, Zoe Donaldson, Tim Halstead, Mike Millington and Jenny Slee, have served on the Board of Martin House for more than nine years. Their reappointment has been subject to rigorous review in accordance with the Charity Governance Code (5.7.4). The Board considers that they bring unique and invaluable experience of Martin House gained over many years and that the need for need for progressive refreshing of the board is suitably met elsewhere.

In accordance with the requirements of the Charity Governance Code, the hospice maintains a register of Trustee and senior staff interests. The following interests have been declared by Trustees and senior staff:

Trustees

Name	Declaration(s)
Zoe Donaldson	Deputy Director for NHS England. Husband is a GP in the locality.
Tim Halstead	Director and Chief Operating Officer of Switalskis Solicitors Limited Director of Martin House (Shops) Ltd
Rifhat Malik MBE	Director Of Give a Gift charity Executive Board Member of LCP HATCH covering East and North East Leeds.
Patricia McKinney	Nil
Mike Millington	Nil
Stephen Plews	Nil
Gordon Singer	Nil
Jenny Slee	Nil
Tim Straughan	Director of NHS England Non-Executive Director of Spectrum CIC Director of Citizone Ltd Director of Martin House Shops (Ltd)
Jenny Wilkinson	Director of Wessex Court Flats Scarborough Ltd Director of Martin House Shops Ltd
Jayne Price	Professor in Children's Nursing Kingston University. Chair of Research Governance Committee at Shooting Star Children's Hospices.
Shiela Puri	Husband is a Consultant Urologist at the Yorkshire Clinic, Bradford

Senior Staff

Name	Declaration(s)
Clair Holdsworth	Nil
Rebecca Wynne	Nil
Victoria Greensmith	Nil
Antoinette Stewart	Nil
Lindsey Fellowes-Freeman	Nil

Our Trustees

The Trustees, who are also Directors, are the members of the charitable company, the equity being limited by guarantee and therefore having no share capital. As at 30 April 2023, Martin House has 12 Trustees.

The Trustees retiring by rotation at the next annual Trustees' meeting are Stephen Plews and Tim Straughan. The power of appointment rests with the members of the Board.

All the Trustees give their time voluntarily and receive no benefits from the charity. Any expenses reclaimed from the charity are set out in note 8 to the financial statements. The Trustees who served during 2022/23 are:

Zoe Donaldson	Member of the Clinical Effectiveness Committee
Timothy J Halstead LLB	Chair of the Board of Trustees Member of the Finance and Resources Committee
Rifhat Malik MBE	Member of the Clinical Effectiveness Committee
Professor Patricia McKinney	Member of the Clinical Effectiveness Committee
Michael Millington BSc Hons MBA	Member of the Finance and Resources Committee
Stephen A Plews	Member of the Finance and Resources Committee
Gordon Singer	Member of the Finance and Resources Committee
Jenny Slee (Cromack) LLB	Member of the Clinical Effectiveness Committee
Tim Straughan	Chair of the Finance and Resources Committee
Jennifer Wilkinson	Member of the Clinical Effectiveness Committee
Professor Jayne Price	Appointed 13 October 2022 Vice Chair of the Clinical Effectiveness Committee
Dr Shiela Puri	Appointed 13 October 2022 Appointed Chair of the Clinical Effectiveness Committee on 27 April 2023
Professor John Barry Wright	Chair of the Clinical Effectiveness Committee (resigned 21 July 2022)
Dr Anne-Marie Childs	Member of the Clinical Effectiveness Committee (resigned 16 February 2023)
Sue Rumbold	Vice Chair of the Board of Trustees Member of the Clinical Effectiveness Committee (resigned 27 April 2023)

Non-Trustees serving on Board Committees during 2022/23 were:

Nick Lane Fox	Member of the Finance and Resources Committee
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Our People

Martin House employs 209 staff (178 FTE). The Chief Executive, who is appointed by and accountable to the Board, is responsible for the operation of Martin House and leads a Strategic Leadership Team. In 2022/23 this comprised:

Clair Holdsworth	Company Secretary and Chief Executive
Rebecca Wynne	Director of Income Generation
Victoria Greensmith	Director of Clinical Services
Antoinette Stewart	Director of People and Resources
Lindsey Fellowes-Freeman	Director of Finance and Corporate Governance

The Strategic Leadership Team lead the following directorates:

(a) the Clinical Services Directorate. This consists of:

- the care team, which delivers the care and support to children, young people and their families
- the medical team, which provides consultant and doctor led medical care to children, young people and their families

- (b) the Resources Directorate. This consists of:
- the facilities team, who maintain and develop the buildings, grounds and equipment
 - the IT team, who maintain and develop the IT hardware and software
 - the people team, who lead on HR policy and advice, learning and development and volunteer development
 - the finance and administration team, who ensure the efficient and smooth running of the organisation
 - the marketing and communication team
- (c) the Income Generation Directorate. This consists of:
- the fundraising team, who raise the voluntary income required to deliver our services
 - the retail team, who manage and develop our 12 shops and other retail operations

Volunteers

Martin House is supported by over 350 volunteers in a range of roles that enhance our work across the organisation.

This includes our stalwart teams of retail volunteers, administrative and maintenance support volunteers at the hospice, and community-focused representation such as Friends' groups and ambassadors. Our Trustees are also all volunteers.

Our Volunteer Forum feed directly into volunteering decision making. In September 2022 we achieved the nationally recognised Investing in Volunteers standard, holding an event to celebrate with all our volunteers.

Remuneration Policy

Remuneration of the CEO and members of the Strategic Leadership Team (SLT) is determined by the Board of Trustees, which delegates responsibility for recommending SLT salaries to the Finance and Resources Committee (FRC). The FRC is also responsible for determining and recommending to the Board the policy for remuneration and reward of employees at Martin House, the pay structure for all employees and the level of any annual cost of living increase, taking into account appropriate benchmarks (including NHS rates for clinical staff and the Croner/Hospice UK annual hospice rewards survey) and prevailing inflation rates. In addition, the FRC is responsible for monitoring the effectiveness of all remuneration, terms and conditions and policies and keeping them under appropriate review.

Ambassadors

Ambassadors do not have any formal role in the governance of the charity but assist by extending our reach and raising our profile:

Gareth Southgate OBE: England Men's National Football Team Manager and ex-professional footballer

Christine Talbot: TV presenter and broadcaster

Duncan Wood: TV presenter and broadcaster

We are thankful for their continued and generous support of Martin House.

Legal and Administrative Information

Charity name:	Martin House
Charity registration number:	517919
Company registration number:	02016332
Registered office and operational address:	Grove Road, Boston Spa, Wetherby, LS23 6TX

Subsidiary Undertaking

Company name: Martin House (Shops) Ltd
Company registration number: 02166209

The principal activities of the trading subsidiary are the sale of bought goods and goods sold as agent. The subsidiary has performed satisfactorily during the year, and all profits generated are donated to Martin House.

Advisors

Auditor:

Azets Audit Services Limited, Chartered Accountants,
Triune Court, Monks Cross Drive, York YO32, 9GZ

Investment Managers:

Brewin Dolphin,
10 Wellington Place, Leeds LS1 4AN

Principal Bankers:

Barclays Bank Plc
25 James Street, Harrogate HG1 1QX

Auditor:

In accordance with s487(2) of the Companies Act 2006, the auditor, Azets Audit Services Limited is deemed reappointed annually.

The Trustees, in their capacity as Directors, hereby approve the Trustees' Annual Report and the incorporated Strategic Report.



Timothy J Halstead
Chair

Date: 12/10/23

Statement of Trustees' Responsibilities in Respect of the Trustees' Report and the Financial Statements

The Trustees (who are also directors of Martin House for the purposes of company law) are responsible for preparing the Trustees' Annual Report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

Company law requires the Trustees to prepare financial statements for each financial year, which give a true and fair view of the state of affairs of the charitable company and the group and of the incoming resources and application of resources, including the income and expenditure, of the charitable group for that period. In preparing these financial statements, the Trustees are required to:

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charities SORP;
- make judgments and estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue in business.

The Trustees are responsible for keeping proper accounting records that disclose with reasonable accuracy at any time the financial position of the charitable company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the charitable company and the group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

In so far as the Trustees are aware:

- there is no relevant audit information of which the charitable company's auditor is unaware; and
- the Trustees have taken all steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditor is aware of that information.

The Trustees are responsible for the maintenance and integrity of the corporate and financial information included on the charitable company's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

Independent Auditor's Report to the Members of Martin House

Opinion

We have audited the financial statements of Martin House (the "parent charity") and its subsidiary (the "group") for the year ended 30 April 2023 which comprise the consolidated statement of financial activities, the company and consolidated balance sheets, the consolidated cash flow statement and notes to the financial statements, including significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102: The Financial Reporting Standard applicable in the UK and Republic of Ireland (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

- give a true and fair view of the state of the group's and the parent charitable company's affairs as at 30 April 2023 and of 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 the financial statements section of our report. We are independent of the group and parent 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 both the group's and the parent 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 Trustees are responsible for the other information. The other information comprises the information included in the annual report other than the financial statements and our auditor's report thereon. 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 Auditor's Report to the Members of Martin House *(continued)*

Opinions on other matters prescribed by the Companies Act 2006

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

- the information given in the Trustees' report (incorporating the strategic report and the directors' report) for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Trustees' report (incorporating the strategic report and the directors' report) has 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 parent charitable company and its environment obtained in the course of the audit, we have not identified material misstatements in the Trustees' Annual Report.

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

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

Responsibilities of the Trustees

As explained more fully in the Trustees' responsibilities statement, 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 they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

Our 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 the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

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

Independent Auditor's Report to the Members of Martin House (*continued*)

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: <https://www.frc.org.uk/auditorsresponsibilities>. This description forms part of our auditor's report.

Extent to which the audit was considered capable of identifying irregularities, including fraud

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above and on the Financial Reporting Council's website, to detect material misstatements in respect of irregularities, including fraud.

We obtain and update our understanding of the entity, its activities, its control environment, and likely future developments, including in relation to the legal and regulatory framework applicable and how the entity is complying with that framework. Based on this understanding, we 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. This includes consideration of the risk of acts by the entity that were contrary to applicable laws and regulations, including fraud.

In response to the risk of irregularities and non-compliance with laws and regulations, including fraud, we designed procedures which included:

- Enquiry of management and those charged with governance around actual and potential litigation and claims as well as actual, suspected and alleged fraud;
- Reviewing minutes of meetings of those charged with governance;
- Assessing the extent of compliance with the laws and regulations considered to have a direct material effect on the financial statements or the operations of the charity through enquiry and inspection;
- Reviewing financial statement disclosures and testing to supporting documentation to assess compliance with applicable laws and regulations;
- Performing audit work over the risk of management bias and override of controls, including testing of journal entries and other adjustments for appropriateness, evaluating the business rationale of significant transactions outside the normal course of business and reviewing accounting estimates for indicators of potential bias; and
- Performing audit work over the timing and recognition of revenue and in particular whether it has been recorded in the correct accounting period.

Because of the inherent limitations of an audit, there is a risk that we will not detect all irregularities, including those leading to a material misstatement in the financial statements or non-compliance with regulation. This risk increases the more that compliance with a law or regulation is removed from the events and transactions reflected in the financial statements, as we will be less likely to become aware of instances of non-compliance. The risk 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.

Independent Auditor's Report to the Members of Martin House (*continued*)

Use of our report

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

Alan Sidebottom

Alan Sidebottom (Senior Statutory Auditor)
For and on behalf of Azets Audit Services Limited

Chartered Accountants
Statutory Auditor

08/11/2023
Date:

Triune Court
Monks Cross Drive
York
YO32 9GZ

Consolidated Statement of Financial Activities (incorporating an income and expenditure account) for the year ended 30 April 2023

	<i>Note</i>	2023 Unrestricted Funds – General £	2023 Unrestricted Funds – Designated £	2023 Restricted Funds £	2023 Total Funds £	2022 Total Funds £
Income from:						
Donations		1,988,362	-	1,674,406	3,662,768	2,092,889
Legacies		1,162,306	-	-	1,162,306	1,240,716
Income from charitable activities:						
Funding from Integrated Care Boards		-	-	890,291	890,291	870,301
NHS England grants		-	-	984,229	984,229	828,549
Covid 19 grants		-	18,110	6,942	25,052	157,045
Other income		40,325	-	-	40,325	76,870
Other trading activities:						
Income from retail operations		1,870,419	-	-	1,870,419	1,672,940
Fundraising events and lottery		1,175,227	-	-	1,175,227	812,793
Other activities for generating funds		47,482	-	-	47,482	29,705
Income from investments	3	403,284	-	-	403,284	372,342
Total income		6,687,405	18,110	3,555,868	10,261,383	8,154,150
Expenditure on:						
Expenditure on raising funds:						
Cost of generating voluntary income	5	1,492,702	-	1,279	1,493,981	1,425,856
Cost of retail operations	5	1,391,321	18,110	-	1,409,431	1,232,704
Cost of fundraising events, lottery and other activities	5	682,484	-	-	682,484	583,213
Investment managers cost	5	52,269	-	-	52,269	70,474
Expenditure on charitable activities	6	4,090,564	-	2,189,990	6,280,554	5,777,256
Total expenditure	7	7,709,340	18,110	2,191,269	9,918,719	9,089,503
Net (expenditure)/income before net (losses)/gains on investments		(1,021,935)	-	1,364,600	342,665	(935,353)
Net losses on investments		-	(648,954)	-	(648,954)	(661,498)
Net (expenditure)/income before transfers		(1,021,935)	(648,954)	1,364,600	(306,289)	(1,596,851)
Transfers between funds	17	2,317,631	(2,315,370)	(2,261)	-	-
Net movement in funds for the year		1,295,696	(2,964,324)	1,362,339	(306,289)	(1,596,851)
Funds brought forward at beginning of year		4,821,272	18,511,733	79,454	23,412,459	25,009,310
Funds carried forward at end of year	17, 18	6,116,968	15,547,409	1,441,793	23,106,170	23,412,459

The results for the year all relate to continuing operations.

A detailed statement of financial activities for the comparative year is shown in note 21 to the financial statements.

The statement of financial activities also complies with the requirements for an income and expenditure account under the Companies Act 2006.

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

Balance Sheet as at 30 April 2023

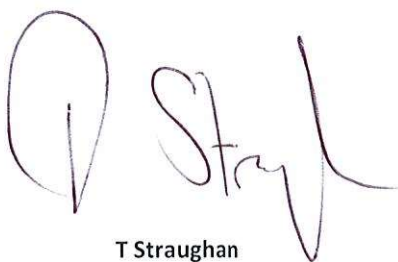
		Group 2023	2022	Charity 2023	2022
		£	£	£	£
Fixed assets					
Tangible assets	9	4,583,898	4,176,808	4,583,898	4,176,808
Investments	10	16,885,021	18,510,385	16,885,023	18,510,387
		21,468,919	22,687,193	21,468,921	22,687,195
Current assets					
Stock	11	22,310	28,194	20,880	24,066
Debtors	12	1,938,509	1,183,721	1,944,458	1,194,659
Cash on deposit, at bank and in hand	13	1,061,751	907,297	1,050,921	896,123
		3,022,570	2,119,212	3,016,260	2,114,848
Creditors: amounts falling due within one year	14	(1,385,319)	(1,393,946)	(1,381,569)	(1,391,546)
Net current assets		1,637,251	725,266	1,634,691	723,302
Net assets		23,106,170	23,412,459	23,103,611	23,410,497
Funds of the charity:					
Restricted funds	17	1,441,793	79,454	1,441,793	79,454
Unrestricted funds are represented by:					
Deficit budget fund	17	2,000,000	4,300,000	2,000,000	4,300,000
Refurbishment fund	17	10,500,000	10,500,000	10,500,000	10,500,000
Other investment funds	17	3,047,409	3,711,733	3,047,411	3,711,735
Total unrestricted designated funds		15,547,409	18,511,733	15,547,411	18,511,735
Unrestricted tangible fixed assets	18	4,583,898	4,176,808	4,583,898	4,176,808
Undesignated general funds	18	1,533,070	644,464	1,530,509	642,500
Total unrestricted funds		21,664,377	23,333,005	21,661,818	23,331,043
		23,106,170	23,412,459	23,103,611	23,410,497

The notes on pages 29 to 41 form part of these financial statements.

These financial statements were approved by the board of Trustees on 12/10/23 and were authorised for issue and signed on its behalf by:



T J Halstead
Trustee



T Straughan
Trustee

Consolidated Cash Flow Statement for the year ended 30 April 2023

	2023	2022
	£	£
Cash flows from operating activities:		
Net cash used in operating activities	(427,264)	(719,290)
Cash flows from investing activities:		
Dividends, interest and rents from investments	354,526	336,063
Purchase of tangible fixed assets	(756,386)	(641,885)
Proceeds from the sale of tangible fixed assets	7,168	32,774
Payments to acquire investments	(395,786)	(2,823,233)
Proceeds from the sale of investments	1,254,335	3,134,813
Net cash provided by investing activities	463,857	38,532
Change in cash and cash equivalents in the year	36,593	(680,758)
Cash and cash equivalents at the beginning of the year	1,285,132	1,965,890
Cash and cash equivalents at the end of the year	1,321,725	1,285,132

Reconciliation of net income to net cash flow from operating activities

	2023	2022
	£	£
Net expenditure for the year	(306,289)	(1,596,851)
Depreciation charge	347,189	329,522
Loss on investments	648,954	661,498
Dividends, interest and rents from investments	(403,284)	(372,342)
Profit on sale of fixed assets	(5,061)	(25,343)
Decrease/(increase) in stock	5,884	(23,593)
(Increase)/decrease in debtors	(706,030)	491,117
Decrease in creditors	(8,627)	(183,298)
Net cash (outflow) from operating activities	(427,264)	(719,290)

Analysis of changes in net funds

	At 30 April 2022	Cash flow	At 30 April 2023
	£	£	£
Cash at bank and in hand	907,297	154,454	1,061,751
Cash equivalents	377,835	(117,861)	259,974
	1,285,132	36,593	1,321,725

Notes to the Financial Statements for the Year Ended 30 April 2023

1. Accounting Policies

The principal accounting policies adopted, judgements and key sources of estimation uncertainty in the preparation of the financial statements are as follows:

Charity Information

Martin House is a company limited by guarantee, the liability of the members is limited to one pound, and a charity registered in England and Wales. The registered office is Martin House, Grove Road, Boston Spa, Wetherby, LS23 6TX.

Accounting Convention

The financial statements have been prepared on a going concern basis in accordance with Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS102) (effective 1 January 2019) (Charities SORP(FRS102)), the Financial Reporting Standard applicable in the UK and Ireland (FRS 102), the Companies Act 2006 and the Charities Act 2011.

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

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 £1.

On the grounds that the charitable company's results are consolidated into the charitable company's group accounts the charitable company has taken advantage of certain exemptions conferred by section 1.11 of FRS102 as follows:

- Exemption from presenting a charitable company statement of cash flows as a primary statement to the financial statements.

Going Concern

The charitable company meets its daily working capital requirements through its bank account which had funds of £1,000k at 30 April 2023. The charity relies heavily upon funding from voluntary donations, legacies and grants, which all contain elements of uncertainty. Given the charitable company's favourable fundraising record and the level of free reserves available at the year end, the Trustees consider that the charitable company has adequate resources to continue in operational existence for the foreseeable future. Accordingly, the financial statements have been prepared on a going concern basis.

Group financial statements

The financial statements consolidate the results of the charity and its wholly owned subsidiary Martin House (Shops) Limited on a line-by-line basis. The summarised profit and loss account for the subsidiary is shown in note 4. A separate Statement of Financial Activities, including the income and expenditure account, for the charity itself is not presented because the charity has taken advantage of the exemptions offered by section 408 of the Companies Act 2006. The gross income of the charity was £10,261,383 (2022: £8,154,150) and the net income was £342,665 (2022: *net expenditure* £935,353) (before gains/losses on investments in each year).

Fund accounting

Unrestricted funds are available for use at the discretion of the Trustees in furtherance of the general objectives of the charity.

Restricted funds can only be used for particular restricted purposes within the objectives of the charity. These arise when funds are subject to specific restrictive conditions imposed by funders/donors or by the purpose of the grant. The purpose and use of the restricted funds is set out in note 17.

Designated funds are unrestricted funds designated by the Trustees for a particular purpose.

Notes to the Financial Statements (*continued*)

1. Accounting Policies (*continued*)

Income

Income is recognised in the year in which entitlement arises, receipt is probable and the amount can be reliably measured. Income is deferred:

- where the charitable company has to fulfil conditions before becoming entitled to it,
- where the income is received specifically for expenditure in a future accounting period, or
- where donations, sponsorship and entry fees are received in anticipation of an event to be held in a future accounting period.

Legacies

Pecuniary and residuary legacies are recognised when received or before receipt if there is sufficient evidence of entitlement to the legacy, receipt is probable and can be measured with sufficient reliability.

Gifts in kind and volunteers' contributions

Martin House benefits greatly from a variety of gifts in kind and voluntary contributions. Gifts donated for resale are included as income when they are sold. Fixed assets donated to the charity are included as donation income at market value at the time of receipt. Consumables and small items donated for fundraising activities are not recognised in the financial statements. No amounts are included in the financial statements for services donated by volunteers.

Expenditure and irrecoverable VAT

Expenditure is included in the Statement of Financial Activities on an accruals basis inclusive of any VAT that cannot be recovered. Expenditure is allocated directly to a particular activity where costs relate directly to that activity.

Where costs cannot be directly attributed to particular headings they have been allocated to activities on a basis consistent with use of the resources.

Fundraising costs

These include the salaries, direct expenditure and overhead costs of the fundraising team as well as lottery and event costs, investment management costs and the cost of our retail operations.

Charitable activity costs

These include the salaries, direct expenditure and overhead costs of the care and support team.

Operating leases

Rentals applicable to operating leases are charged to the Statement of Financial Activities on a straight line basis over the term of the lease.

Pensions

Employees who have previously worked for the NHS are entitled to continue to contribute to the NHS Pension Scheme subject to certain conditions. The NHS Scheme is an unfunded final salary scheme operated by the National Health Service. The contributions are calculated so as to spread the cost of pensions over employees' working lives, whilst they remain in qualifying employment, in such a way that the pension cost is a substantially level percentage of current and future pensionable payroll. The contributions are determined by the Government Actuary on the basis of periodic valuations, and any deficit is underwritten by the Treasury.

The scheme is not designed to be run in a way that would enable employers of eligible employees to identify their share of the underlying scheme assets and liabilities, and the scheme is unfunded. Therefore, the scheme is accounted for as if it were a defined contribution scheme: the amount charged against profits represents the contributions payable to the scheme.

Staff not entitled to join the NHS Scheme are automatically enrolled into a defined contribution scheme, in accordance with current pension legislation. In addition, the defined contribution scheme is offered on the same terms to staff not meeting the criteria for automatic enrolment. The amount charged against profits for the scheme represents the contributions payable to the scheme in respect of the accounting period.

Notes to the Financial Statements (*continued*)

1. Accounting Policies (*continued*)

Staff costs

The costs of short-term employee benefits are recognised as a liability and an expense where settlement of obligations does not fall within the same period.

Investments

Investments (other than investments in subsidiaries) are stated at market value at the balance sheet date.

The investment portfolio, see note 10, is held to generate returns and gains for the group and accordingly is designated as fair value through profit and loss ("FVTPL"). Under this designation the portfolio is revalued at each period end to its fair value, as determined by reference to quoted market prices and values determined by independent fund managers, with any gains or losses going through the statement of financial activity.

For the purposes of the cash flow statement, the short-term cash deposits held for reinvestment within the long term investment fund have been treated as cash.

Investment properties are included in the balance sheet at their open market value. Depreciation is not provided on investment properties.

Investments in subsidiaries are stated at cost and the Trustees review the carrying value annually for indications of impairment.

Fixed assets and depreciation

Fixed assets are stated at cost. Depreciation is provided to write off the cost less the estimated residual value of tangible fixed assets by equal instalments over their estimated useful economic lives as follows:

Freehold buildings	-	2-4% straight line
Furniture and fittings	-	25% straight line
Office furniture and equipment	-	20% to 33% straight line
Vehicles	-	25% reducing balance

All capital expenditure over £250 is capitalised as an asset.

Stocks

Purchased goods for resale are valued at the lower of cost and net realisable value.

Donated items of stock for resale are not included in the financial statements until they are sold because the Trustees consider it impractical to assess the amount of donated stock held as there is no system in place to record these items or value them until they are sold. The value of these goods to the charity is instead recognised when they are sold in the shops.

Financial instruments

The group has elected to apply the provisions of Section 11 'Basic Financial Instruments' and Section 12 'Other Financial Instruments Issues' of FRS 102 to all of its financial instruments.

Cash at bank and in hand

Cash at bank and cash in hand includes cash and short term highly liquid investments with a short maturity held for working capital. Bank overdrafts are shown within borrowing in current liabilities.

Notes to the Financial Statements (*continued*)

1 Accounting Policies (*Continued*)

Debtors

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

Financial assets, other than those held at fair value through profit and loss, are assessed for indicators of impairment at each reporting end date.

Financial assets are impaired where there is objective evidence that, as a result of one or more events that occurred after the initial recognition of the financial asset, the estimated future cash flows have been affected. The impairment loss is recognised in the income and expenditure account.

Creditors, loans and provisions

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

Financial liabilities are only derecognised when, and only when, the group's obligations are discharged, cancelled or they expire.

Amounts recognised as provisions are best estimates of the consideration required to settle the present obligation at the reporting end date, taking into account the risks and uncertainties surrounding the obligation.

Critical accounting estimates and judgements

In the application of the group's accounting policies, the Trustees are required to make judgements, estimates and assumptions about the carrying amount of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are 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, if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

The estimates and assumptions which have a significant risk of causing a material adjustment to the carrying amount of assets and liabilities are outlined below.

Depreciation of tangible assets

Depreciation policies have been set according to management's experience of the useful lives of the assets in each category, something which is reviewed annually.

The charity incurs expenditure on creating tangible fixed assets for use in the charity with costs being incurred over a number of months. The Trustees believe it is possible to segregate these costs into identifiable projects, and as such no depreciation is charged on that project until it is brought into use.

Legacies

Legacies are recognised as income when probate has been granted, the charity has established its entitlement to the funds and where sufficient information is available to allow it to measure its entitlement.

Tax

Martin House is a registered charity and as such is a charity within the meaning of schedule 6 of the Finance Act 2010. Accordingly, the Hospice is potentially entitled to tax exemption under part 11 of the Corporation Tax Act 2010 or section 256 of the Taxation of Chargeable Gains Act 1992 in respect of income and gains arising.

Notes to the Financial Statements (*continued*)

1 Accounting Policies (*Continued*)

The trading subsidiary is liable to corporation tax on its chargeable profits. Current tax is provided at amounts expected to be paid (or recovered) using the tax rates and laws that have been enacted or substantially enacted at the balance sheet date. As all profits arising in the subsidiary were gift aided to the parent charitable company in both the current and prior financial year, no corporation tax has arisen.

2 Net expenditure

	2023 £	2022 £
Net expenditure is stated after charging/(crediting):		
Depreciation of tangible fixed assets	347,189	329,522
Loss/(profit) on disposal of fixed assets	(5,061)	(25,343)
Auditor's remuneration – audit of charity and subsidiary company accounts	15,675	12,900
Auditor's remuneration – other non-audit services	2,300	2,100
Operating lease rentals – land and buildings	199,779	202,695
Operating lease rentals – equipment	3,959	25,379

3 Income from investments

	2023 £	2022 £
Gross dividends and interest receivable from listed investments	396,047	363,181
Interest from building society and banks	1,812	186
Property rent	3,625	8,975
Lease incentive Ripon Shop	1,800	-
	403,284	372,342

4 Subsidiary company

The charity has a wholly owned subsidiary, Martin House (Shops) Limited which is incorporated in the UK and registered in England (company number 2166209). The company undertakes various trading activities including the sale of bought goods, the sale of goods as agent, and other trading activities on behalf of the charity. Non-primary purpose trading of the group such as bought good sales in the hospice shops are transacted through the trading subsidiary, Martin House (Shops) in order to adhere with HMRC regulations on non-primary purpose trading within charities. A summary of its trading results for the period is shown below. The company donates all taxable profits to Martin House under Gift Aid.

	2023 £	2022 £
Profit and loss account		
Turnover	70,972	75,971
Cost of sales	(28,235)	(30,486)
Gross profit	42,737	45,485
Rent and rates	(6,381)	(6,149)
Staff costs	(22,711)	(25,607)
Other expenses	(9,949)	(10,958)
Interest payable to parent company	(1,137)	(809)
Profit for the year	2,559	1,962

Balance Sheet

	2023 £	2022 £
Share capital	2	2
Profit and loss account	2,559	1,962
Total shareholder's funds	2,561	1,964

Investment in the wholly owned subsidiary is carried at cost of £2 (2022: £2) in the balance sheet of the charity.

The profit for the year is to be gifted to the charitable parent company, however as no deed of covenant exists the distribution has not been recognised in these financial statements.

Notes to the Financial Statements (*continued*)

5 Expenditure on raising funds

For the year ended 30 April 2023	Unrestricted 2023 £	Restricted 2023 £	Total 2023 £
Costs of generating donations & legacies			
Staff costs (Note 8)	1,137,983	-	1,137,983
Publicity and newsletters	205,138	-	205,138
Professional fees	12,508	-	12,508
Other	137,073	1,279	138,352
	1,492,702	1,279	1,493,981
Cost of retail operations			
Staff costs (Note 8)	798,615	-	798,615
Other	610,816	-	610,816
	1,409,431	-	1,409,431
Lottery and event costs			
Staff costs (Note 8)	145,599	-	145,599
Other	536,885	-	536,885
	682,484	-	682,484
Investment management costs	52,269	-	52,269

For the year ended 30 April 2022	Unrestricted 2022 £	Restricted 2022 £	Total 2022 £
Costs of generating donations & legacies			
Staff costs (Note 8)	924,986	-	924,986
Publicity and newsletters	286,330	-	286,330
Professional fees	17,869	-	17,869
Other	196,671	-	196,671
	1,425,856	-	1,425,856
Cost of retail operations			
Staff costs (Note 8)	610,337	-	610,337
Other	622,367	-	622,367
	1,232,704	-	1,232,704
Lottery and event costs			
Staff costs (Note 8)	132,393	-	132,393
Other	450,820	-	450,820
	583,213	-	583,213
Investment management costs	70,474	-	70,474

Notes to the Financial Statements (*continued*)

6 Expenditure on charitable activities

	Unrestricted 2023 £	Restricted 2023 £	Total 2023 £	Unrestricted 2022 £	Restricted 2022 £	Total 2022 £
<i>Provision of care:</i>						
Staff costs (Note 8)	1,935,933	2,181,612	4,117,545	1,821,632	1,885,392	3,707,024
Consumables	210,036	-	210,036	186,772	-	186,772
Other	450,800	8,378	459,178	416,788	18,541	435,329
Research	(30,000)	-	(30,000)	111,836	-	111,836
<i>Support costs:</i>						
Staff costs (Note 8)	1,144,142	-	1,144,142	767,238	22,426	789,664
Establishment	379,653	-	379,653	546,070	561	546,631
	4,090,564	2,189,990	6,280,554	3,850,336	1,926,920	5,777,256

7 Total expenditure

Year ended 30 April 2023	Staff costs £	Depreciation £	Other costs £	Total £
Charitable activities	5,261,687	257,373	761,494	6,280,554
Costs of generating funds	2,082,197	89,816	1,466,152	3,638,165
Total expenditure	7,343,884	347,189	2,227,646	9,918,719

Year ended 30 April 2022	Staff costs £	Depreciation £	Other costs £	Total £
Charitable activities	4,496,688	245,435	1,035,133	5,777,256
Costs of generating funds	1,667,716	84,087	1,560,444	3,312,247
Total expenditure	6,164,404	329,522	2,595,577	9,089,503

8 Staff numbers and costs

The average number of staff employed by the charitable company during the year was as follows:

	Average headcount		Average FTE	
	2023 No.	2022 No.	2023 No.	2022 No.
Charitable activities – care team and support	134	129	115	108
Fundraising and shops	66	62	58	54
	200	191	173	162

The aggregate payroll costs of these persons were as follows:

	2023 £	2022 £
Wages and salaries	6,271,922	5,327,572
Social security costs	595,762	461,438
Other pension costs (Note 15)	476,200	375,394
	7,343,884	6,164,404

Included in the above costs is £212,410 (2022: £199,119) in respect of members of the medical team contracted to the charity by a local NHS trust.

Notes to the Financial Statements (*continued*)

8. Staff numbers and costs (*continued*)

The Trustees do not receive any remuneration. During the year expenses were paid to Trustees of £29 (2022: *£nil*). Trustees are not included in the average number of employees. In accordance with the Memorandum of Association the charity purchased charity Trustee indemnity insurance. The cost of this insurance included in the Statement of Financial Activities was £1,230 (2022: £1,230).

The number of higher paid employees is disclosed below.

	2023 No.	2022 No.
£60,000 to £70,000	2	1
£70,001 to £80,000	2	1
£80,001 to £90,000	-	1
£90,001 to £100,000	1	-

Pension contributions totalling £29,510 (2022: £21,114) were made for the 5 (2022: 3) higher paid employees.

The key management personnel of the charity (and group) comprise the Trustees and the senior management team. The total employee benefits of the 5 (2022: 5) key management personnel employed by the charity (and group) were £454,612 (2022: £328,408).

9. Tangible fixed assets

CHARITY AND GROUP	Freehold land and buildings £	Assets under construction £	Furniture and fittings £	Office furniture and equipment £	Vehicles £	Total £
Cost						
At beginning of year	4,805,271	820,714	1,670,027	1,145,463	195,262	8,636,737
Additions	12,355	418,482	157,671	108,428	59,452	756,388
Disposals	-	-	-	-	(16,771)	(16,771)
At end of year	4,817,626	1,239,196	1,827,698	1,253,891	237,943	9,376,354
Depreciation						
At beginning of year	2,014,817	-	1,483,474	862,816	98,822	4,459,929
Charge for year	94,882	-	110,001	112,228	30,078	347,189
On disposals	-	-	-	-	(14,662)	(14,662)
At end of year	2,109,699	-	1,593,475	975,044	114,238	4,792,456
Net book value						
At 30 April 2023	2,707,927	1,239,196	234,223	278,847	123,705	4,583,898
At 30 April 2022	2,790,454	820,714	186,553	282,647	96,440	4,176,808

The cost of freehold land and buildings includes £75,000 (2022: £75,000) of land which is not depreciated.

10. Fixed asset Investments

CHARITY	2023 £	2022 £
Listed investments (Note 10(a))	16,475,037	17,982,540
Cash held as part of investment portfolio	259,974	377,835
Investment in Martin House (Shops) Limited (Note 4)	2	2
Unlisted investment	10	10
Investment property (Note 10(b))	150,000	150,000
	16,885,023	18,510,387

Notes to the Financial Statements *(continued)*

10. Fixed asset Investments *(continued)*

GROUP	2023	2022
	£	£
Listed investments (Note 10(a))	16,475,037	17,982,540
Cash held as part of investment portfolio	259,974	377,835
Unlisted investment	10	10
Investment property (Note 10(b))	150,000	150,000
	16,885,021	18,510,385

These investments both in income and long-term growth support the work of the hospice.

10(a) Listed investments

	2023	2022
	£	£
Market value at beginning of year	17,982,540	18,955,618
Additions	395,786	2,823,233
Disposal proceeds	(1,254,335)	(3,134,813)
Realised and unrealised investment gains	(648,954)	(661,498)
Market value at end of year	16,475,037	17,982,540
Historical cost at end of year	13,726,157	14,033,725

10(b) Investment property

	2023	2022
	£	£
Market value at beginning and end of year	150,000	150,000

The historical cost of the investment property was deemed to be £133,000.

The Trustees have estimated the fair value of the investment property, with reference to other similar property transactions in the vicinity. A professional valuation has not been obtained as the Trustees do not consider it necessary due to the non-specialist nature of the investment property. The Trustees conclude that there has been no material change in the fair value during the year.

The carrying amount of financial assets measured at fair value through income and expenditure for both the company and group was £16,475,037 (2022: £17,982,540).

11. Stock

	Group		Charity	
	2023	2022	2023	2022
	£	£	£	£
Goods for resale	2,064	5,948	634	1,820
T-shirt stock fundraising (not for resale)	20,246	22,246	20,246	22,246
	22,310	28,194	20,880	24,066

Notes to the Financial Statements (*continued*)

12 Debtors

	Group Due within one year 2023 £	Due within one year 2022 £	Charity Due within one year 2023 £	Due within one year 2022 £
Amounts due from Martin House (Shops) Limited	-	-	5,949	10,938
Accrued income and prepayments	1,834,412	1,104,717	1,834,412	1,104,717
VAT recoverable	104,097	79,004	104,097	79,004
	1,938,509	1,183,721	1,944,458	1,194,659

13 Cash at bank, in hand and on deposit

	Group 2023 £	2022 £	Charity 2023 £	2022 £
Bank and building society deposits	1,060,634	905,155	1,050,634	895,154
Cash in hand	1,117	2,142	287	969
	1,061,751	907,297	1,050,921	896,123

14 Creditors: amounts falling due within one year

	Group 2023 £	2022 £	Charity 2023 £	2022 £
Trade creditors	183,207	264,887	183,207	264,887
Other taxes and social security costs	144,755	127,491	144,755	127,491
Other creditors	24,017	156,255	24,017	156,255
Accruals and deferred income	1,033,340	845,313	1,029,590	842,913
	1,385,319	1,393,946	1,381,569	1,391,546

Notes to the Financial Statements *(continued)*

15 Pension costs

The hospice operates two pension schemes: the NHS Scheme and a defined contribution scheme, both of which are treated as defined contribution schemes as disclosed in Note 1.

	2023 £	2022 £
NHS Pension Scheme	246,808	234,743
Defined contribution scheme	229,392	140,651
	476,200	375,394

NHS Scheme

Eligible employees are able to remain in the NHS Pension Scheme. The NHS Pension Scheme is an unfunded occupational scheme backed by the Exchequer, which is open to all NHS employees and employees of other approved organisations. The Scheme provides pensions, based on final salary, in varying circumstances for employees of participating employers. The Scheme receives contributions from employees and employers to defray the costs of pensions and other benefits. The scheme is subject to a full actuarial valuation every four years and an accounting valuation every year. Details of the benefits payable, and the basis for the valuations under these provisions can be found on the NHS Pensions website at www.nhsbsa.nhs.uk/pensions.

16 Commitments

Total commitments for future minimum lease payments under non-cancellable operating leases as follows:

CHARITY AND GROUP

	Land and buildings 2023 £	Equipment 2023 £	Land and buildings 2022 £	Equipment 2022 £
Within one year	153,054	3,959	162,815	9,443
More than one year and less than 5 years	367,972	-	317,963	3,959
More than 5 years	50,500	-	88,063	-
	571,526	3,959	568,841	13,402

Notes to the Financial Statements (*continued*)

17 Statement of funds

For the year ended 30 April 2023	As At 1 May 2022	Income	Expenditure	Investment (losses)	Transfers	As at 30 April 2023
	£	£	£	£	£	£
GROUP						
<u>Unrestricted funds</u>						
General funds	4,821,272	6,687,405	(7,709,340)	-	2,317,631	6,116,968
Designated funds						
Covid-19 fund	-	18,110	(18,110)	-	-	-
Deficit budget fund	4,300,000	-	-	-	(2,300,000)	2,000,000
Refurbishment fund	10,500,000	-	-	-	-	10,500,000
Other investment funds	3,711,733	-	-	(648,954)	(15,370)	3,047,409
Total designated funds	18,511,733	18,110	(18,110)	(648,954)	(2,315,370)	15,547,409
Total unrestricted funds	23,333,005	6,705,512	(7,727,450)	(648,954)	2,261	21,664,377
CHARITY						
<u>Unrestricted funds</u>						
General funds	4,819,308	6,687,403	(7,709,935)	-	2,317,631	6,114,407
Designated funds						
Covid-19 fund	-	18,110	(18,110)	-	-	-
Deficit budget fund	4,300,000	-	-	-	(2,300,000)	2,000,000
Refurbishment fund	10,500,000	-	-	-	-	10,500,000
Other investment funds	3,711,735	-	-	(648,954)	(15,370)	3,047,411
Total designated funds	18,511,735	18,110	(18,110)	(648,954)	(2,315,370)	15,547,411
Total unrestricted funds	23,331,043	6,705,511	(7,728,045)	(648,954)	2,261	21,661,818
GROUP AND CHARITY						
<u>Restricted Funds</u>						
NHS England grant	-	917,229	(917,229)	-	-	-
Pension indexation funding	-	67,000	(67,000)	-	-	-
Integrated Care Board Grants	-	890,291	(890,291)	-	-	-
Hospice UK	-	6,942	(6,942)	-	-	-
Garden Fund	11,344	-	-	-	-	11,344
Rebuild	28,975	-	-	-	-	28,975
Care equipment - Regional	4,989	-	(164)	-	(636)	4,189
Donations - Care equipment	612	-	-	-	-	612
Donations - Capital (baths, decoration, chair, training)	33,534	-	(33,500)	-	-	34
Donations - Trusts	-	602,421	(274,553)	-	(1,625)	326,243
Donations – Capital Appeal	-	1,070,396	-	-	-	1,070,396
Donations – Events	-	1,589	(1,589)	-	-	-
	79,454	3,555,868	(2,191,268)	-	(2,261)	1,441,793

Notes to the Financial Statements (continued)

17 Statement of funds (Continued)

For the year ended 30 April 2022	As At 1 May 2021	Income	Expenditure	Investment gains	Transfers	As at 30 April 2022
GROUP	£	£	£	£	£	£
Unrestricted funds						
General funds	5,665,680	6,186,920	(7,142,278)	-	110,950	4,821,272
Designated funds						
Covid-19 fund	-	20,305	(20,305)	-	-	-
Deficit budget fund	4,346,846	-	-	-	(46,846)	4,300,000
Refurbishment fund	10,451,806	-	-	-	48,194	10,500,000
Other investment funds	4,374,450	-	-	(661,498)	(1,219)	3,711,733
Total designated funds	19,173,102	20,305	(20,305)	(661,498)	129	18,511,733
Total unrestricted funds	24,838,782	6,208,225	(7,163,583)	(661,498)	111,079	23,333,005

CHARITY

Unrestricted funds

General funds	5,470,609	6,307,828	(7,070,079)	-	110,950	4,819,308
Designated funds						
Covid-19 fund	-	20,305	(20,305)	-	-	-
Deficit budget fund	4,346,846	-	-	-	(46,846)	4,300,000
Refurbishment fund	10,451,806	-	-	-	48,194	10,500,000
Other investment funds	4,374,452	-	-	(661,498)	(1,219)	3,711,735
Total designated funds	19,173,104	20,305	(20,305)	(661,498)	129	18,511,735
Total unrestricted funds	24,643,713	6,328,133	(7,090,384)	(661,498)	111,079	23,331,043

GROUP AND CHARITY

Restricted Funds

NHS England grant	-	763,549	(763,549)	-	-	-
Pension indexation funding	-	65,000	(65,000)	-	-	-
Clinical Commissioning Groups' grants	-	870,301	(870,301)	-	-	-
Hospice UK	-	136,740	(136,740)	-	-	-
Whitby Lodge Courtyard project	16,500	-	(4,500)	-	(656)	11,344
Wet wheels trips/ Art Fund	28,975	-	-	-	-	28,975
Music and animation suite	12,200	-	(12,200)	-	-	-
Other capital funds	25	-	(25)	-	-	-
Care equipment (regional team for care)	12,853	-	(3,604)	-	(9,249)	-
Other restricted donations	4,989	-	-	-	-	4,989
Trust donations for project/designated spend	1,142	1,000	(2,142)	-	-	-
Network co-ordinator	2,404	-	(2,404)	-	-	-
Children's Palliative Care Network	32,268	17,024	(17,024)	-	(32,268)	-
CNS & bereavement funding	12,608	-	(5,965)	-	(6,643)	-
Primary care for young people	11,400	-	(5,800)	-	(5,600)	-
Donations care equipment	6,112	4,906	(1,000)	-	(9,406)	612
Donations capital (baths, decoration, chair, training)	29,052	88,405	(36,666)	-	(47,257)	33,534
	170,528	1,946,925	(1,926,920)	-	(111,079)	79,454

Notes to the Financial Statements (*continued*)

17 Statement of funds (*Continued*)

Unrestricted funds

General funds – these represent the free reserves and fixed assets of the charity that are not designated or restricted for particular purposes.

The Trustees have designated elements of the investment fund for specific purposes, as follows:

Deficit budget fund – funds of £2.0m have been designated to cover the deficits anticipated in the next 3-5 years.

Rebuild fund – funds of £10.5m have been designated to contribute towards the cost of our extensive Build project plans.

The remainder of our designated funds, held within investments, are held to comply with our policy of holding six months running costs in reserves.

Restricted funds – represent monies received for specific purposes as follows:

NHS England Grant – this is a grant received to support us in our aim to continue the provision of the high level of specialist care for the children and families in Yorkshire.

Pension indexation funding – is a contribution from NHS England towards the cost of our employer's NHS pension contributions.

Integrated Care Boards grants – are grants received from ICBs covering East, North and West Yorkshire and the Humber. Each contributes towards the cost of care provided by Martin House to children and young people and their families in the respective geographical areas served by each ICB.

Hospice UK - The NHSE awarded funding to allow the hospice to make available bed capacity and community support from April 2020 to July 2020 to provide support to people with complex needs in the context of the COVID-19 situation and to provide bed capacity and community support between 2020 and 2022 for the same purpose.

Grants from various Trusts & Foundations and donations - Funding for core clinical costs, medical equipment, cultural liaison officers, bereavement salaries, sibling support groups, training bursaries, a refurbishment of the Sanctuary garden, emergency travel for families and a residential trip for young people.

Garden Fund (Whitby Lodge Courtyard Project) – consists of charitable donations to fund the redevelopment of the Lodge Courtyard area for the enjoyment of our teenagers and young adults.

Garden Donations - Specified garden purchases after the Build project.

Rebuild Fund – Funding from our Capital Appeal in aid of our upcoming extensive Build and refurbishment project.

Care equipment – funding for care equipment from individuals and Trusts.

Other capital funds – consist of contributions from Trusts and other sources for specific items of equipment.

Other restricted donations – donations for small equipment, bereavement library and Christmas party.

Trust donations for project/designated spend – funding for vehicles, beds and garden grant from Trusts.

Wet Wheels Trip 2020/Art Fund – Funding for boat trip experience provided by Ilkley Round Table and art fund– grant from The D'Oyly Carte Trust for the art therapy programme 2020/21.

Music and animation suite – funding from individuals and the Ed de Nunzio Charitable Trust to create a music and animation suite in the hospice.

Notes to the Financial Statements (*continued*)

Network co-ordinator – this was a project to support the co-ordination of the Yorkshire and Humber Children and Young People's Palliative Care Network (YHCYPPCN) and was transferred to Leeds Teaching Hospitals Trust in the prior year.

Children's Palliative Care Network – this was funding received to meet the cost of network meetings and conferences of the YHCYPPCN in the prior year.

CNS & bereavement funding & primary care for young people – 'Global Make Some Noise' and The Ed de Nunzio Charitable Trust to provide specialist nursing care.

Donations care equipment – funding from individuals and clubs for specialist chairs, baths, Oxford Text Book and a small restricted pot of funds not yet specified.

Donations capital (baths, decoration, chairs, training) – capital funding from Trusts for the specialist bath appeal. Palliative care training for doctors.

Transfers

Transfers totalling £2,261 have been made from restricted to general funds where capital expenditure has been incurred from restricted funds, and the assets purchased are held for a general purpose within the charity with no ongoing restrictions in use.

18 Analysis of net assets between funds

As at 30 April 2023			Tangible fixed assets	Investments	Net current assets	Total
GROUP			£	£	£	£
Restricted funds			-	-	1,441,793	1,441,793
Unrestricted funds	- Designated		-	15,547,409	-	15,547,409
	- Other		4,583,898	1,337,612	195,458	6,116,968
			<u>4,583,898</u>	<u>16,885,021</u>	<u>1,637,251</u>	23,106,170
CHARITY						
Restricted funds			-	-	1,441,793	1,441,793
Unrestricted funds	- Designated		-	15,547,411	-	15,547,411
	- Other		4,583,898	1,337,612	192,897	6,114,407
			<u>4,583,898</u>	<u>16,885,023</u>	<u>1,634,690</u>	23,103,611

As at 30 April 2022			Tangible fixed assets	Investments	Net current assets	Total
GROUP			£	£	£	£
Restricted funds			-	-	79,454	79,454
Unrestricted funds	- Designated		-	18,511,733	-	18,511,733
	- Other		4,176,808	(1,348)	645,812	4,821,272
			<u>4,176,808</u>	<u>18,510,385</u>	<u>725,266</u>	23,412,459
CHARITY						
Restricted funds			-	-	79,454	79,454
Unrestricted funds	- Designated		-	18,511,735	-	18,511,735
	- Other		4,176,808	(1,348)	643,848	4,819,308
			<u>4,176,808</u>	<u>18,510,387</u>	<u>723,302</u>	23,410,497

Notes to the Financial Statements *(continued)*

The unrestricted designated investment fund includes unrealised gains on investments of £2,745,510 (2022: £3,947,177).

19 Contingent Liabilities

The charity is party to a cross guarantee in respect of a group VAT registration. At 30 April 2023 the total group VAT balance was a debtor of £104,097 (2022: debtor of £79,004).

20 Related Party Transactions

During the year, Martin House conducted the following transactions with its subsidiary, Martin House (Shops) Limited:

Martin House levied rent on Martin House (Shops) Limited amounting to £5,947 (2022: £5,921), and interest amounting to £1,137 (2022: £809).

Martin House (Shops) Limited donated £1,962 (2022: £195,070) to Martin House under Gift Aid.

At 30 April 2023, Martin House had a debtor balance of £5,949 owed by Martin House (Shops) Limited (2022: £10,938 debtor balance).

During the year the charity paid £6,207 (2022: £17,758) to the spouse of one of its Trustees, Tim Straughan, who was employed by the charity in a part-time role.

Notes to the Financial Statements (*continued*)

21 Consolidated Statement of Financial Activities (incorporating an income and expenditure account) for the year ended 30 April 2022

	2022 Unrestricted Funds – General £	2022 Unrestricted Funds – Designated £	2022 Restricted Funds £	2022 Total Funds £
Income from:				
Donations	1,998,578	-	94,311	2,092,889
Legacies	1,240,716	-	-	1,240,716
Income from charitable activities:				
	-	-	870,301	870,301
NHS England grants	-	-	828,549	828,549
Covid 19 grants	-	20,305	136,740	157,045
Other income	59,846	-	17,024	76,870
Other trading activities:				
Income from retail operations	1,672,940	-	-	1,672,940
Fundraising events and lottery	812,793	-	-	812,793
Other activities for generating funds	29,705	-	-	29,705
Income from investments	372,342	-	-	372,342
Total income	6,186,920	20,305	1,946,925	8,154,150
Expenditure on:				
Expenditure on raising funds:				
Cost of generating voluntary income	1,425,856	-	-	1,425,856
Cost of retail operations	1,214,442	18,262	-	1,232,704
Cost of fundraising events, lottery and other activities	583,213	-	-	583,213
Investment managers cost	70,474	-	-	70,474
Expenditure on charitable activities	3,848,293	2,043	1,926,920	5,777,256
Total expenditure	7,142,278	20,305	1,926,920	9,089,503
Net income/(expenditure) before net (losses)/gains on investments	(955,358)	-	20,005	(935,353)
Net gains/(losses) on investments	-	(661,498)	-	(661,498)
	(955,358)	(661,498)	20,005	(1,596,851)
Transfers between funds	110,950	129	(111,079)	-
Net movement in funds for the year	(844,408)	(661,369)	(91,074)	(1,596,851)
Funds brought forward at beginning of year	5,665,680	19,173,102	170,528	25,009,310
Funds carried forward at end of year	4,821,272	18,511,733	79,454	23,412,459