

Charity Registration No. 802145

Company Registration No. 02326410 (England and Wales)

**THE MARTLETS HOSPICE LIMITED**

**(LIMITED BY GUARANTEE)**

**TRUSTEES' REPORT (INCLUDING THE STRATEGIC REPORT) AND  
CONSOLIDATED ACCOUNTS**

**FOR THE YEAR ENDED 31 MARCH 2017**



**THE MARTLETS HOSPICE LIMITED**  
**(LIMITED BY GUARANTEE)**  
**LEGAL AND ADMINISTRATIVE INFORMATION**

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			<b>Committees</b>
<b>Directors and Trustees</b>	Ms Christine D'Cruz		4
	Dr Michael Edwards, Chairman	Resigned, Sept 2016	2,3
	Mr Barry Egan		3
	Mr Matthew Fletcher		1
	Mr Andrew Gillies, Treasurer		2
	Mr Barry Hancock		2,4
	Mr Giles Ings	Appointed Jan 2017	-
	Mr Harry Richard Knight		4
	Dr Emily McWhirter		1
	Ms Ann Norman		2
	Ms Juliet Smith, Chairman	Appointed Nov 2016	-
	Mr Kevin Smyth		1
	Dr Duncan Stewart	Appointed June 2016	4
	Mr Christopher Thomas, Secretary		3
	Mr Ian Wilson	Resigned July 2016	3
<b>Committees</b>	Clinical Governance		1
	Finance and ICT (Information, Communication and Technology)		2
	Human Resource and Remuneration		3
	Income Generation		4
<b>Leadership Team</b>	Ms Imelda Glackin <i>Chief Executive Officer</i>		1,2,3,4
	Dr Simone Ali <i>Medical Director</i>		1
	Ms Sally Brighton <i>Director of Income Generation</i>		4
	Mr Baldeep Dhol <i>Director Finance and Support Services</i>		2,4
	Mrs Careen Green, <i>Director of People Services</i>	Resigned May 2016	3
	Ms Sharon Howes <i>Director of People Services</i>	Appointed May 2016	3
	Mrs Karen Taylor <i>Director of Clinical Services</i>		1
<b>Charity number</b>	802145		
<b>Company number</b>	02326410		
<b>Principal address and registered office</b>	The Martlets Hospice Limited Wayfield Avenue Hove East Sussex BN3 7LW		

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**THE MARTLETS HOSPICE LIMITED**  
**(LIMITED BY GUARANTEE)**  
**LEGAL AND ADMINISTRATIVE INFORMATION**

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<b>Auditors</b>	Russell New Limited The Courtyard Shoreham Road Upper Beeding Steyning West Sussex BN44 3TN
<b>Bankers</b>	Barclays Bank Plc 139/142 North Street Brighton East Sussex BN1 1RU  Lloyds Banking Group Plc 74/78 Church Road Hove East Sussex BN3 2EE
<b>Investment Advisors</b>	Rathbone Brothers Plc 1 Curzon Street London W1J 5FB
<b>Solicitors</b>	Burt Brill & Cardens Solicitors 30 Old Steine Brighton BN1 1FL

# THE MARTLETS HOSPICE LIMITED

## (LIMITED BY GUARANTEE)

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# **THE MARTLETS HOSPICE LIMITED**

## **(LIMITED BY GUARANTEE)**

### **TRUSTEES' REPORT (INCORPORATING THE STRATEGIC REPORT)**

#### **FOR THE YEAR ENDED 31 MARCH 2017**

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The Martlets Hospice Limited Trustees and Directors present their annual report (including the Strategic Report) for the year ended 31 March 2017 together with the consolidated accounts for the Charity and its subsidiaries.

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

#### **Background**

The Martlets Hospice Limited (The Martlets, the Hospice, the Charity, the Company) is constituted as a company limited by guarantee and governed by its Memorandum and Articles of Association. The Hospice opened in April 1997 and was formed following the merger of Coppercliff Hospice, The MacMillan Day Hospice Limited and Turner Home. This report covers the 20th year of operations, for the period April 2016 through to March 2017.

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

The Martlets is a charity that cares for people living through a terminal illness in and around Brighton and Hove. Most of our patients are cared for in their own home. Our team supports people to live their lives to the full, taking the time to give exceptional, life-changing hospice care. Care also extends to family and friends of patients, bringing comfort, compassion and support when it matters most.

The Charity achieves these objectives by:

- a) providing care which is free at the point of delivery to adults with serious and life-threatening illness;
- b) operating an inpatient unit consisting of 18 beds that provides acute symptom control, continuing care for complex longer-term conditions, respite and end of life care;
- c) operating a service at one's home that takes skilled, hands on, hospice care into the homes of patients;
- d) operating a respite service that supports the carers of patients;
- e) providing a bereavement service for relatives and carers;
- f) providing a range of day services for patients and carers to support their health and wellbeing; and
- g) working in partnership with the NHS, charities and organisations to extend and maximise reach and impact.

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

#### **Service Provision and Highlights**

The Charity continues to provide many services:

##### **a) Inpatient Services**

In the financial year there were 306 (2015-16, 308) admissions to the inpatient unit. The average length of stay was just over 16 days. A total of 87% of patients had a diagnosis of cancer and the remaining 13% of patients had conditions such as Motor Neurone Disease, Heart Failure and Chronic Respiratory Disease. The complexity of the needs of patients and their families accessing services is increasing and this is most obvious within the inpatient unit, where a greater patient to nurse ratio is required to meet these needs.

##### **b) Hospice at Home Services**

Our Hospice at Home service provides support for people in their own homes, seven days a week. The Hospice at Home service is part of the wider Palliative Care Partnership which, along with Sussex Community NHS Foundation Trust, provides 24-hour telephone support and advice to patients, families and professionals. The Hospice at Home team saw a total of 333 (2015-16 349) patients for end of life care or respite support, making a total of 3,936 visits (2015-16, 3,885) and 38,792 telephone calls. Such visits supported 168 patients to die at their desired place of death in their homes.

**THE MARTLETS HOSPICE LIMITED**  
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**FOR THE YEAR ENDED 31 MARCH 2017**

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**c) Patient and Family Support**

The Patient and Family Support Team consists of bereavement counsellors, social workers and a chaplain complemented by volunteers. The team supports patients and their families on the inpatient unit while also visiting people in the community, both in their own homes and various care settings. The chaplain and social workers completed 1,535 sessions to family members relating to inpatients; the community visits covered 19 patients with 197 hours of support. The bereavement counsellors and their team of volunteers covered 141 clients (2015-16, 137) attending a total of 703 individual counselling sessions.

**d) Day Services**

Day Services provide supportive care for patients and their carers living at home with a life limiting condition. Services include nursing clinics, art therapy, a range of complementary therapies, legal guidance, mindfulness groups, Tai Chi, reminiscence groups, and a community choir. The service has grown to support 252 patients and carers (2015-16, 230) in this last year, which is a significant increase on last year. The complementary therapies are delivered by a skilled team of 20 volunteers for inpatients and patients visiting for their specific sessions. A new addition in the year has been the "sow and grow" programme. This initiative was delivered by a trained horticulturist therapist and Registered Nurses and has provided patients with a therapeutic social activity that is based on an enjoyment of gardening. The programme received national coverage at the 2016 Hospice UK National Conference.

**e) Rehabilitation**

The specialist physiotherapist and specialist occupational therapist, along with a therapy assistant, provide rehabilitation services to patients in the inpatient unit and in the community. Investment in the rehabilitation area has allowed an increase to 480 sessions (2015-16, 161) and this extended to covering 86 patients.

**f) Welfare Benefits Advice Service**

The Charity, in partnership with Age UK, runs a dedicated service helping users to establish what they might be entitled to when facing serious ill health. Practical support includes finding out entitlements, application processes and acting on their behalf for appeals and decisions. Within the year the service received 372 new referrals, a mixture of face to face appointments at the Hospice, home visits and telephone conversations. A total of £1.1m has been claimed on behalf of the service users within the financial year.

**g) Data Analytics**

The recruitment of a Data Analytics specialist has led to improvement and evolution in data recording complementing improvements in clinical care. This has enabled us to report and act more efficiently and meaningfully on our services. Such engagement is also assisting in the management of the patient record system, encouraging improvement and efficiencies.

**h) Learning and Development**

The Charity has a strong belief that service users should be cared for by health and social care professionals who are well trained and supported. The Learning and Development team provides advice not only to Martlets staff but also to colleagues working in hospitals and the community who support service users at the end of their life. Within the year Martlets has been contracted to provide training courses on end of life care to over 120 Care Homes. This project has and continues to be in partnership with the local Clinical Commissioning Group and Macmillan.

**i) Information, Communication and Technology (ICT)**

The Charity has embarked on a change in strategy moving to a model of partnership with an external Technology provider procured under contract. Specific actions have included the removal of over ten independent servers to two new servers situated in multiple sites. The impact is a unification of capabilities on a single network, improved maintenance and monitoring of fewer devices and improved redundancy capabilities with devices backing up to each other. In addition to the hardware strategy, a new servicing strategy has commenced with the partner providing servicing support to complement in house Charity resources.

**THE MARTLETS HOSPICE LIMITED**  
**(LIMITED BY GUARANTEE)**  
**TRUSTEES' REPORT (INCORPORATING THE STRATEGIC REPORT)**  
**FOR THE YEAR ENDED 31 MARCH 2017**

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**j) Art Sculpture Trail**

Between September and December of 2016 the streets of Brighton and Hove were decorated with 44 art sculptures in the shape of Snowdogs. This "Snowdogs by the Sea" trail was led by Martlets in partnership with Wild in Art, a company that specialises in art trails. The trail was an immense success for the Charity. The presentation of such an engaging city-wide event enabled Martlets to use it as a platform to share the understanding of hospice care as life affirming as well as delivering and supporting end of life care. The significant engagement of the public, both locally and from beyond, allowed a dilution of the taboo around hospice care to our many stakeholders, including patients and families.

The art trail allowed the Hospice to interact with existing and new groups in our community, thus developing and cultivating relationships. An example is the fantastic educational programme that created new links with many local schools using the sculptures as a means from which to develop education in both art and hospice care. With the trail being such a success, Martlets will be conducting a second trail in autumn of 2018 for which planning has commenced.

**Financial Summary**

The statement of financial activities shows an overall surplus for the year of £229k, and a surplus of £435k on unrestricted funds. Total income and the overall surplus have fallen from the 2015-16 level, but that is because 2015-16 included £2.7m of legacy income, an exceptional year. Recorded legacies were £1.4m in 2016-17, close to our ten-year average of £1.6m. The following areas also contributed significantly to the financial results.

**a) Event Receipts**

Event receipts totalled £0.9m, a £0.4m increase over last year's £0.5m. The significant increase has been generated through the art sculpture trail where the closing event concluded in an auction raising over £330k of income for the Charity.

**b) Lottery**

The Hospice lottery changed from £1 per play to £2 per play in April 2016. The lottery has generated a total income of £739k, an increase of £78k on 2015-16. While this result is positive the expectation was to generate more income and efforts will continue in the new financial year to increase this income stream.

**c) Income from Martlets Trading Company Limited**

Martlets Trading Company Limited operates ten charity shops in and around Brighton and Hove. The shops sell goods that have been donated by the public, as well as selling some bought in stock. The purpose of the Trading subsidiary is to generate funds for the Charity to use to further its charitable causes. Where donors have made Gift Aid declarations, the proceeds from the goods they donate are passed through the books of the parent Charity, enabling the Charity to claim the Gift Aid tax relief. During the year, Trading transferred £344k (2015-16, £415k) of income in the form of sales of donated goods where Gift Aid has been applied. This income generated by the network of shops is in addition to the net income from the sales of non-Gift Aid donated goods and bought in goods, which passes through the books of Trading. The results of Trading are summarised in Note 16 of the accounts and show turnover (excluding proceeds of Gift Aided donated goods) of £1,955k (2015-16 £1,788k) and a net loss before transfers to the Charity of £169k (2015-16, net profit of £42k). Together with the proceeds of the Gift Aided donated goods, Trading and the charity shops have contributed to the Charity's funds of £174k (2015-16, £457k). The result for 2016-17 includes the costs of a restructuring of the retail division aimed at equipping the Trading subsidiary for growth in the future.

Martlets is proud to have won the "Specialist Retail Outlet of the Year" award presented at the Hospice UK Retail Conference 2017. The award was in recognition for an innovative 'pop-up' shop, to complement the "Snowdogs by the Sea" sculpture trail led by the Martlets in partnership with Wild in Art.

**THE MARTLETS HOSPICE LIMITED**  
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**TRUSTEES' REPORT (INCORPORATING THE STRATEGIC REPORT)**  
**FOR THE YEAR ENDED 31 MARCH 2017**

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**d) Income from Martlets Care Limited**

Martlets Care provides expert care for anyone over 18 who needs support or assistance in the comfort of their own home. Martlets Care donates its profits to The Martlets Hospice so the Charity can use such funds to further its charitable causes. Martlets Care has donated £154k of profit to the Charity, an increase of 41% over prior year. Such profit, and hence donation, has been made possible by an increase of income by 13% to £1.4m. The main driver of growth has been the increase in servicing contracts to private clients.

**e) Reserves Policy**

Martlets reserves policy is to have free reserves equivalent to at least 12 months of The Martlets Hospice Limited's expenditure. Free reserves are unrestricted funds less tangible fixed assets. The purpose of holding this target minimum level of reserves is to give confidence to patients, relatives, staff, suppliers, donors and other interested parties of the Charity that it will be able to provide an uninterrupted level of service. Reserves are necessary to provide that security because the Charity's services are provided free of charge and are dependent on income from donations and legacies which is uncertain from year to year. At 31 March 2017, free reserves were £6.8m, while the Hospice's budgeted expenditure for the new financial year ending March 2018 is £6.4m, so free reserves are above the target minimum level.

**f) Investment Policy [Delete Section as deleted below]**

Martlets investment policy stipulates that free reserves of at least three months' expenditure must be kept in instant access bank accounts, while free reserves balances more than three months' expenditure can be invested to generate further income and capital gains for the Charity. Martlets have appointed appropriately qualified investment advisors, Rathbone Brothers Plc, and have defined investment targets and risk appetite. In the year to 31 March 2017 the portfolio increased by 21.4%, reaching a value of £3m, ahead of the MSCI WMA (Morgan Stanley Capital International, Wealth Management Association) Balanced Benchmark which returned 19.6%, both figures on a total return basis.

## **Governance**

### **The Structure of the Hospice**

Martlets is governed by a Board of Trustees which oversees the parent charitable company, The Martlets Hospice Limited. There are then two subsidiary companies, The Martlets Hospice Trading Co Limited and Martlets Care Limited, both of which have been established to provide income for the Charity and each governed by its own elected Board of Directors. Collectively the legal entities are referred to in the Financial Statements as the Group.

The Board of Trustees has established the following Committees to help ensure appropriate oversight of key operational and strategic areas; all Committees offer advice direct to this Board.

- **Clinical Governance:** This Committee acts on behalf of the Board to oversee and coordinate all aspects of clinical governance relating to the Hospice care services.
- **Finance, Information, Communication and Technology:** This Committee's role is to develop key financial and technology related policies, oversee the technologies strategy, and review budgets, forecasts and monthly management accounting reports.
- **People Services and Remuneration:** The Committee supports the responsibilities for issues of recruitment, retention and management of employees and volunteers.
- **Income Generation:** Its purpose is the governance of income generating and marketing operations and to provide strategic direction, particularly in relation to the longer-term view, to ensure sustainability.



# **THE MARTLETS HOSPICE LIMITED**

## **(LIMITED BY GUARANTEE)**

### **TRUSTEES' REPORT (INCORPORATING THE STRATEGIC REPORT)**

#### **FOR THE YEAR ENDED 31 MARCH 2017**

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#### **a) Directors and Trustees**

All Trustees are Directors of The Martlets Hospice Limited. The Board of Trustees has the power to appoint additional Trustees as it considers appropriate. Trustees serve up to a maximum of three terms of three years each. The exceptions to this are the Treasurer and Secretary. The Board, against the criteria of a skills matrix, appoints new Trustees. Within the financial year five new Trustees have been appointed. The Board meets in person every two months. There are additional 'Board Days' to support strategic planning. In the year the number of Trustees has increased from 12 to 13.

#### **b) Trustees' Training**

All new Trustees receive a full day's induction and an induction pack. Further training is provided as appropriate to the individual roles of the Trustees. Trustees receive updates and attend information sessions on different aspects of their work as the need arises. Within the financial year the Board has revised and expanded the induction provision for new Trustees, following recommendations from external consultants.

#### **c) Risk Assessment and Management**

Martlets has adopted a widely used risk register template, which is updated monthly and reviewed by the relevant Board Committee on a quarterly basis. Mitigations are created for risks, and a single weighted score is created for each highlighted risk. The Business Continuation Plan documents guidelines in the event of significant service disruption. This plan is under constant review.

#### **d) Fundraising Standards and Complaints**

Until July 2016 Martlets was registered with the Fundraising Standards Board (FRSB) and followed the code of practice, demonstrating that Martlets is committed to adhering to the highest standards of fundraising practice. The FRSB closed in July 2016 at the time of the development of the new Fundraising Regulator and the code transferred to them. Martlets continued to follow the Code of Fundraising practice during the transition to the new regulator. Four complaints were received during the year, all of which were resolved satisfactorily. Martlets has since registered with the new Fundraising Regulator and is committed to adhering to the new standards set by them, including registration with the Fundraising Preference Service which commences in July 2017.

## **Resource Management**

### **Leadership Team Remuneration**

The remuneration of the Leadership Team is evaluated on an annual basis assisted by the Croner Reward Salary Comparisons Report. The People Services and Remuneration Committee considers the proposals from the management team, and submits a recommendation to the Board of Trustees.

### **Volunteers**

The Martlets could not deliver its extensive services without the invaluable assistance of over 550 regular volunteers operating over 40 different types of roles. The estimated value of such activities exceeds £1m of equivalent staffing costs.

## **Future Focus**

The Martlets will continue to focus on the following core strategies:

#### **a) Increase our reach**

This will entail investing in a volunteer strategy to deliver direct care, optimising capacity within the inpatient unit, investing in the growing of community based services, developing new partnership relationships and widening the supporter base to generate greater income for the sustainability of the Hospice.

#### **b) Communicate our role in the provision of services in supportive, palliative and end of life care**

Continuing engagement with user involvement groups to seek opinions, investing in public relations and marketing, and optimising the website and social media.

# **THE MARTLETS HOSPICE LIMITED**

## **(LIMITED BY GUARANTEE)**

### **TRUSTEES' REPORT (INCORPORATING THE STRATEGIC REPORT)**

#### **FOR THE YEAR ENDED 31 MARCH 2017**

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#### **c) Maximise our income to enable service development and sustainability**

The focus will be on creating an achievable income generation strategy, leveraging collaboration opportunities to reduce costs, introducing new and innovative business ventures, ensuring clarity with donors on the impact of Gift Aid declarations, and securing all available statutory funding.

#### **d) Measure impact and outcomes**

The intention is to set achievable key performance indicators for all areas of Hospice activity. These will include measuring achievements on a regular basis; adhering to a strict governance framework to safeguard all departments; ensuring productive stakeholder involvement, and formal evaluation of the services delivered.

Following are specific initiatives that fulfil the core strategies in the new financial year:

#### **a) Satellite Clinic in Peacehaven**

Martlets has been aware of the difficulties presented to existing and potential service users further away from the Hospice site in Hove, notably areas to the east of Brighton. In the summer Martlets will be commencing a satellite clinic in the Peacehaven area utilising community buildings in the area to offer services that might otherwise be conducted in Hove.

#### **b) Clinical Effectiveness through the Patient Record System**

Martlets Clinical Team will be leading a review, improvement and investment plan of the electronic patient record system. This system is integral to the care offered to service users. Improvements include the ease and efficiency of recording patient information and the enablement of more accurate, detailed and reliable reporting on services.

#### **a) Patient Experience**

Martlets makes a constant effort to understand the view and feedback from existing and potential service users. An extension to this will be a new patient experience survey, piloted within the inpatient unit and day services.

#### **b) Retail Operations within Martlets Trading Subsidiary**

A detailed and thorough review has been conducted of the operations resulting now in a restructuring of the retail organisation and operations. Restructuring of operations will be concluded by the end of the summer in 2017. A part of the plan is to open a new retail shop in central Brighton.

#### **c) Real Estate**

The Martlets Hospice was built in 1997 embedded into the Brighton and Hove community and over the years there has been various enhancements made aimed at improving the experience for service users. In Autumn of 2017 a next tranche of work will commence to reconfigure the rear entrance to the building to enhance passage and experience for patients entering the inpatient unit.

There is a recognition that the Martlets needs additional space that could house functions of an administrative nature. The acquisition of such space would alleviate space within the Hospice site that would then allow more dedicated use to clinical services. The Charity is currently assessing options in procuring such real estate.

#### **d) Learning and Development and People Services**

The Charity has a strong belief that those using our services will be cared for, and supported, by well trained staff and volunteers across all areas of the organisation. Our refreshed offer will focus on key areas:

- a. A new focus on workforce development to drive improvement, coach and empower our teams, good performance management and succession planning.
- b. Development of strong attraction and retention offer with clear career pathways.
- c. Development of our external training offer to extend our reach and build our reputation.

Our wider People Services team will be focusing on service improvement and coaching managers, whilst recruiting staff and volunteers to fulfil our commitments to patient care.

**THE MARTLETS HOSPICE LIMITED**  
**(LIMITED BY GUARANTEE)**  
**TRUSTEES' REPORT (INCORPORATING THE STRATEGIC REPORT)**  
**FOR THE YEAR ENDED 31 MARCH 2017**

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**STATEMENT AS TO DISCLOSURE OF INFORMATION TO AUDITORS**

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

The Trustees Report incorporating the Strategic Report was approved by the Board of Trustees on Thursday 27<sup>th</sup> July 2017 and signed on its behalf by;



Juliet Smith  
Chairman



Christopher Thomas  
Secretary

**THE MARTLETS HOSPICE LIMITED**  
**(LIMITED BY GUARANTEE)**  
**STATEMENT OF TRUSTEES' RESPONSIBILITIES**  
**FOR THE YEAR ENDED 31 MARCH 2017**

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

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

In preparing these accounts, the Trustees are required to:

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

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

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

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

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

# **THE MARTLETS HOSPICE LIMITED**

## **(LIMITED BY GUARANTEE)**

### **INDEPENDENT AUDITORS' REPORT**

#### **TO THE MEMBERS OF THE MARTLETS HOSPICE LIMITED**

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We have audited the accounts of The Martlets Hospice Limited for the year ended 31 March 2017 set out on pages 12 to 36. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including Financial Reporting Standard FRS102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'.

This report is made solely to the Charitable Company and Group'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 auditors' 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 and Group and their members as a body, for our audit work, for this report, or for the opinions we have formed.

#### **Respective responsibilities of Trustees and auditors**

As explained more fully in the statement of Trustees' responsibilities, the Trustees, who are also the Directors of The Martlets Hospice Limited for the purposes of company law, are responsible for the preparation of the accounts and for being satisfied that they give a true and fair view.

We have been appointed under the Companies Act 2006 and report in accordance with that act.

Our responsibility is to audit and express an opinion on the accounts in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

#### **Scope of the audit of the accounts**

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

In addition, we read all the financial and non-financial information in the Trustees' Report (including the Strategic Report) to identify material inconsistencies with the audited financial statements and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. If we become aware of any apparent material misstatements or inconsistencies, we consider the implications for our report.

#### **Opinion on accounts**

In our opinion, the accounts:

- give a true and fair view of the state of the Group's and the parent Charitable Company's affairs as at 31 March 2017 and of the Group's and the parent Charitable Company's incoming resources and application of resources, including the Group's and the Charitable Company's income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice, including Financial Reporting Standard FRS102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

#### **Opinion on other matter prescribed by the Companies Act 2006**

In our opinion, the information given in the Trustees' Report (including the Strategic Report) for the financial year for which the accounts are prepared is consistent with the accounts.

**THE MARTLETS HOSPICE LIMITED  
(LIMITED BY GUARANTEE)  
INDEPENDENT AUDITORS' REPORT  
TO THE MEMBERS OF THE MARTLETS HOSPICE LIMITED**

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

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

- the parent Charitable Company and Group have not kept adequate sufficient accounting records or returns adequate for our audit have not been received from branches not visited by us; or
- the consolidated charitable company's accounts are not in agreement with the accounting records and returns; or
- certain disclosures of Trustees' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.



**Mr Mark Cummins FCCA (Senior Statutory Auditor)**

**for and on behalf of Russell New Limited**

**Statutory Auditors**

The Courtyard

Shoreham Road

Upper Beeding

Steyning

West Sussex

BN44 3TN

Dated: .....

28<sup>th</sup> July 2017

**THE MARTLETS HOSPICE LIMITED**  
**(LIMITED BY GUARANTEE)**  
**CONSOLIDATED STATEMENT OF FINANCIAL ACTIVITIES**  
**(INCLUDING INCOME AND EXPENDITURE ACCOUNT)**  
**FOR THE YEAR ENDED 31 MARCH 2017**

		Unrestricted funds £	Restricted funds £	Total 2017 £	Total 2016 £
<b><u>Income from:</u></b>	<b>Notes</b>				
Donations and legacies	3	2,544,438	137,032	2,681,470	4,181,546
Other trading activities	4	5,035,100	7,120	5,042,220	4,250,119
Charitable activities	5	1,618,490	1,582	1,620,072	1,568,843
Investments	6	113,316	-	113,316	107,363
Other income	7	101,546	14,798	116,344	59,801
<b>Total income</b>		<b>9,412,890</b>	<b>160,532</b>	<b>9,573,422</b>	<b>10,167,672</b>
<b><u>Expenditure on:</u></b>	<b>8</b>				
<b>Raising funds</b>					
Commercial trading and fundraising		4,210,159	-	4,210,159	3,658,695
<b>Charitable activities</b>					
Hospice running costs		5,321,641	366,051	5,687,692	4,770,007
<b>Total expenditure</b>		<b>9,531,800</b>	<b>366,051</b>	<b>9,897,851</b>	<b>8,428,702</b>
Net gains/(losses) on investments	16	553,684	-	553,684	(155,703)
<b>Net income/(expenditure)</b>		<b>434,774</b>	<b>(205,519)</b>	<b>229,255</b>	<b>1,583,267</b>
<b>Other recognised gains/(losses)</b>					
Pension scheme recovery plan movement	20	-	-	-	42,715
<b>Net movement in funds</b>		<b>434,774</b>	<b>(205,519)</b>	<b>229,255</b>	<b>1,625,982</b>
Fund balances at 1 April 2016		6,759,828	2,457,162	9,216,990	7,591,008
<b>Fund balances at 31 March 2017</b>		<b>7,194,602</b>	<b>2,251,643</b>	<b>9,446,245</b>	<b>9,216,990</b>

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

**THE MARTLETS HOSPICE LIMITED**  
**(LIMITED BY GUARANTEE)**  
**CONSOLIDATED BALANCE SHEET**  
**AS AT 31 MARCH 2017**

		2017		2016	
	Notes	£	£	£	£
<b>Fixed assets</b>					
Tangible assets	15	2,527,419		2,677,985	
Investment property	13	862,225		-	
Investments	16	2,953,712		2,505,248	
		<u>6,343,356</u>		<u>5,183,233</u>	
<b>Current assets</b>					
Stocks	17	12,123	22,904		
Debtors	18	1,782,833	2,105,131		
Cash at bank and in hand		2,082,791	2,638,800		
		<u>3,877,747</u>	<u>4,766,835</u>		
<b>Creditors: amounts falling due within one year</b>	19	<u>(774,858)</u>	<u>(629,989)</u>		
<b>Net current assets</b>		<u>3,102,889</u>		<u>4,134,846</u>	
<b>Total assets less current liabilities</b>		<u>9,446,245</u>		<u>9,320,079</u>	
<b>Provisions for liabilities</b>	20	-		(103,089)	
<b>Net assets</b>		<u>9,446,245</u>		<u>9,216,990</u>	
<b>Income funds</b>					
Restricted funds	22	2,251,643		2,457,162	
Unrestricted income funds		7,194,602		6,759,828	
		<u>9,446,245</u>		<u>9,216,990</u>	

Net income/expenditure attributable to The Martlets Hospice Limited for the year amounted to £457,501 (2016: £1,447,839) and total comprehensive income attributable was £457,501 (2016: £1,490,554).

The accounts were approved by the Board on Thursday 27<sup>th</sup> July 2017.



Juliet Smith (Chairman)  
**Trustee**

**Company Registration No. 02326410**



**THE MARTLETS HOSPICE LIMITED**  
**(LIMITED BY GUARANTEE)**  
**CHARITY BALANCE SHEET**  
**AS AT 31 MARCH 2017**

		2017	2016
	Notes	£	£
<b>Fixed assets</b>			
Tangible assets	14	2,527,419	2,664,684
Investment property	13	862,225	-
Investments	16	2,953,712	2,505,250
		<u>6,343,356</u>	<u>5,169,934</u>
<b>Current assets</b>			
Debtors	18	1,853,374	2,187,449
Cash at bank and in hand		<u>1,927,125</u>	<u>2,420,992</u>
		<u>3,780,499</u>	<u>4,608,441</u>
<b>Creditors: amounts falling due within one year</b>	19	<u>(511,909)</u>	<u>(457,255)</u>
<b>Net current assets</b>		<u>3,268,590</u>	<u>4,151,186</u>
<b>Total assets less current liabilities</b>		<u>9,611,946</u>	<u>9,321,120</u>
<b>Provisions for liabilities</b>	20	-	(103,089)
<b>Net assets</b>		<u>9,611,946</u>	<u>9,218,031</u>
<b>Income funds</b>			
Restricted funds	22	2,251,643	2,457,162
Unrestricted income funds		<u>7,360,303</u>	<u>6,760,869</u>
		<u>9,611,946</u>	<u>9,218,031</u>

The accounts were approved by the Board on Thursday 27<sup>th</sup> July 2017.



Juliet Smith (Chairman)  
**Trustee**

Company Registration No. 02326410

**THE MARTLETS HOSPICE LIMITED**  
**(LIMITED BY GUARANTEE)**  
**CASH FLOW STATEMENT**  
**FOR THE YEAR ENDED 31 MARCH 2017**

			2017	2016
	Notes	£	£	£
<b>Net cash provided by/(used in) operating activities</b>	<b>24</b>		<b>(603,050)</b>	<b>157,752</b>
<b>Cash flows from investing activities:</b>				
Dividends and interest received	6	113,316		107,363
Purchase of tangible fixed assets	15	(86,616)		(151,921)
Purchase of investments	16	(250,314)		(848,201)
Proceeds from sale of investments and fixed assets		270,655		170,529
<b>Net cash provided by/(used in) investing activities</b>			<b>47,041</b>	<b>(722,230)</b>
<b>Increase/(decrease) in cash and cash equivalents in the year</b>			<b>(556,009)</b>	<b>(564,478)</b>
<b>Cash and cash equivalents at the beginning of the year</b>			<b>2,638,800</b>	<b>3,203,278</b>
<b>Cash and cash equivalents at the end of the year</b>			<b>2,082,791</b>	<b>2,638,800</b>
<b>Analysis of net cash</b>				
	<b>At 1 April 2016</b>	<b>Cash flow</b>	<b>Non-cash changes</b>	<b>At 31 March 2017</b>
	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>
Cash at bank and in hand	2,638,800	(556,009)	-	2,082,791

# **THE MARTLETS HOSPICE LIMITED**

## **(LIMITED BY GUARANTEE)**

### **NOTES TO THE ACCOUNTS**

#### **FOR THE YEAR ENDED 31 MARCH 2017**

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#### **1.0 Statutory information**

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

#### **2.0 Accounting policies**

##### **2.1 Basis of preparation**

The financial statements have been prepared in accordance with Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland, effective 1 January 2015, (Charities SORP, FRS 102) and the Companies Act 2006.

The Martlets Hospice Limited meets the definition of a public benefit entity under FRS 102. Assets and liabilities are initially recognised at historical cost or transaction value unless otherwise stated in the relevant accounting policy note(s). There are no material uncertainties about The Martlets Hospice Limited's ability to continue as a going concern.

##### **2.2 Group financial statements**

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

##### **2.3 Income**

All income is accounted for in the Statement of Financial Activities (SOFA) when the Charity is legally entitled to the income, receipt is probable and the amount can be quantified with reasonable accuracy.

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

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

Other income, including investment income and commissions, is recorded on an accruals basis.

For legacies, entitlement is taken on a case by case basis as the earlier of the date on which the Charity is aware that probate has been granted, the estate has been finalised and notification has been made by the executor(s) to the Charity that a distribution will be made, or when a distribution is received from the estate. Receipt of a legacy, in whole or in part, is only considered probable when the amount can be measured reliably and the Charity has been notified of the executor's intention to make a distribution. If the legacy is in the form of an asset other than cash or an asset listed on a recognised stock exchange, recognition is subject to the value of the asset being able to be reliably measured and title to the asset has passed to the charity. Where legacies have been notified to the Charity or the Charity is aware of the granting of probate, and the criteria for income recognition have not been met, then the legacy is treated as a contingent asset and disclosed if material (see Note 28).

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

**THE MARTLETS HOSPICE LIMITED**  
**(LIMITED BY GUARANTEE)**  
**NOTES TO THE ACCOUNTS (CONTINUED)**  
**FOR THE YEAR ENDED 31 MARCH 2017**

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**2.4 Expenditure**

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

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

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

- staff numbers for administration, human resources, information management and facilities costs;
- floor area for maintenance costs; and
- direct costs for finance charges.

**2.5 Tangible fixed assets and depreciation**

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

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

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

**2.6 Leasing and hire purchase commitments**

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

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

**2.7 Investments**

Investments are stated at fair value. Realised and unrealised gains and losses on investments are dealt with in the Statement of Financial Activities. Investment income plus associated tax recoverable is credited to income on an accruals basis, using dates of payment for dividends, and daily accrual for interest. Capital and cash accounts held within investment portfolios are included on the Balance Sheet within 'Cash at bank and in hand'.

Investment property is stated at fair value. The fair value has been determined by a valuation conducted by an independent, appropriately qualified individual.

**2.8 Stock**

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

**2.9 Donated goods and services**

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

**THE MARTLETS HOSPICE LIMITED**  
**(LIMITED BY GUARANTEE)**  
**NOTES TO THE ACCOUNTS (CONTINUED)**  
**FOR THE YEAR ENDED 31 MARCH 2017**

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**2.10 Debtors**

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

**2.11 Cash at bank and in hand**

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

**2.12 Financial instruments**

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

**2.13 Creditors and provisions**

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

**2.14 Pension costs**

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

The Charity is one of a number of employers in the National Health Service Pension Scheme. It is, therefore, not possible to allocate any actuarial surplus or deficit and, consequently, contributions to the National Health Service Pension Scheme are charged to the SOFA in the year in which they fall due for payment. The scheme has both defined benefits and contributions, any shortfall in the national fund being met by the Exchequer.

The Charity is one of a number of employees contributing to the Federated Flexiplan No1 Pension Scheme. This is a multi-employer scheme where the assets and liabilities of the scheme applicable to each employer are not separately identifiable. Therefore, the pension charge recorded in these accounts is the amount of contributions payable on a defined contribution basis in the accounting year in accordance with Financial Reporting Standard 102.

**2.15 Accumulated funds**

Funds held by the Charity are either:

Unrestricted general funds – these are funds which can be used in accordance with the charitable objects at the discretion of the Trustees.

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

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

**2.16 Taxation**

The Charitable Company is registered as a charity and all of its income falls within the exemptions under Part 11 of the Corporation Tax Act 2010.

**THE MARTLETS HOSPICE LIMITED**  
**(LIMITED BY GUARANTEE)**  
**NOTES TO THE ACCOUNTS (CONTINUED)**  
**FOR THE YEAR ENDED 31 MARCH 2017**

**3 Income from Donations and Legacies**

	Unrestricted funds £	Restricted funds £	Total 2017 £	Total 2016 £
Patient related donations	319,698	4,151	<b>323,849</b>	281,449
Legacies receivable	1,394,936	-	<b>1,394,936</b>	2,721,004
General donations from individuals	302,636	60,631	<b>363,267</b>	435,522
Corporate donations	60,825	1,500	<b>62,325</b>	104,808
Donated goods Gift Aid scheme	343,502	-	<b>343,502</b>	414,832
Charitable Trust Donations	122,841	70,750	<b>193,591</b>	223,931
	<b>2,544,438</b>	<b>137,032</b>	<b>2,681,470</b>	<b>4,181,546</b>

**4 Income from Other Trading Activities**

	Unrestricted funds £	Restricted funds £	Total 2017 £	Total 2016 £
<b><u>Income from shops and trading activity</u></b>				
Martlets Trading Limited	1,946,938	-	<b>1,946,938</b>	1,743,966
Martlets Care Limited	1,460,915	-	<b>1,460,915</b>	1,288,914
	<b>3,407,853</b>	-	<b>3,407,853</b>	3,032,880
Function and event receipts	870,519	7,120	<b>877,639</b>	538,626
Collection boxes	18,197	-	<b>18,197</b>	18,319
Hospice lottery	738,531	-	<b>738,531</b>	660,294
	<b>5,035,100</b>	<b>7,120</b>	<b>5,042,220</b>	<b>4,250,119</b>

**THE MARTLETS HOSPICE LIMITED**  
**(LIMITED BY GUARANTEE)**  
**NOTES TO THE ACCOUNTS (CONTINUED)**  
**FOR THE YEAR ENDED 31 MARCH 2017**

**5 Income from Charitable Activities**

	Unrestricted funds	Restricted funds	Total 2017	Total 2016
	£	£	£	£
Rent receivable	44,692	-	<b>44,692</b>	35,483
Primary Care Trust	999,890	-	<b>999,890</b>	999,890
Hospice @ Home grant	347,816	-	<b>347,816</b>	347,816
Continuing care	139,825	1,582	<b>141,407</b>	105,040
Other grants	40,916	-	<b>40,916</b>	43,454
Other services	45,351	-	<b>45,351</b>	37,160
	<u>1,618,490</u>	<u>1,582</u>	<u><b>1,620,072</b></u>	<u>1,568,843</u>

**6 Income from Investments**

	Unrestricted funds	Restricted funds	Total 2017	Total 2016
	£	£	£	£
Income from managed fund investments	87,559	-	<b>87,559</b>	86,125
Income from cash deposits	25,757	-	<b>25,757</b>	21,238
	<u>113,316</u>	<u>-</u>	<u><b>113,316</b></u>	<u>107,363</u>

**7 Other Income**

	Unrestricted funds	Restricted funds	Total 2017	Total 2016
	£	£	£	£
Sponsorship income	-	-	-	49,308
Sundry income	101,546	14,798	<b>116,344</b>	10,493
	<u>101,546</u>	<u>14,798</u>	<u><b>116,344</b></u>	<u>59,801</u>

**THE MARTLETS HOSPICE LIMITED**  
**(LIMITED BY GUARANTEE)**  
**NOTES TO THE ACCOUNTS (CONTINUED)**  
**FOR THE YEAR ENDED 31 MARCH 2017**

**8 Total Expenditure**

	Staff costs £	Depreciation £	Other Costs £	Total 2017 £	Total 2016 £
<b>Costs of Raising Funds</b>					
Commercial trading and fundraising					
<u>Martlets Trading Limited</u>					
Activities undertaken directly	846,112	13,302	1,096,060	<b>1,955,474</b>	1,630,524
Support	168,000	-	2,500	<b>170,500</b>	168,764
Total	1,014,112	13,302	1,098,560	<b>2,125,974</b>	1,799,288
<u>Martlets Care Limited</u>					
Activities undertaken directly	1,000,151	-	267,650	<b>1,267,801</b>	1,113,642
Support	186,230	-	2,500	<b>188,730</b>	184,779
Total	1,186,381	-	270,150	<b>1,456,531</b>	1,298,421
<u>Other</u>					
Activities undertaken directly	353,209	-	119,020	<b>472,229</b>	399,874
Support	-	-	155,425	<b>155,425</b>	161,112
Total	353,209	-	274,445	<b>627,654</b>	560,986
Total costs of raising funds	2,553,702	13,302	1,643,155	<b>4,210,159</b>	3,658,695
<b>Charitable Activities</b>					
<u>Hospice running costs</u>					
Activities undertaken directly	2,916,149	160,046	583,874	<b>3,660,069</b>	3,201,516
Support costs	974,349	-	1,053,274	<b>2,027,623</b>	1,568,491
Total charitable activities	3,890,498	160,046	1,637,148	<b>5,687,692</b>	4,770,007
<b>Total Expenditure</b>	<b>6,444,200</b>	<b>173,348</b>	<b>3,280,303</b>	<b>9,897,851</b>	<b>8,428,702</b>



**THE MARTLETS HOSPICE LIMITED**  
**(LIMITED BY GUARANTEE)**  
**NOTES TO THE ACCOUNTS (CONTINUED)**  
**FOR THE YEAR ENDED 31 MARCH 2017**

**9 Support Costs (including Governance Costs)**

	Total 2017	Total 2016
	£	£
Wages and salaries	1,328,579	1,176,781
Printing and stationery	30,438	28,258
Advertising	107,640	43,312
Legal and professional fees	199,169	56,439
Auditors remuneration	15,750	13,000
Conference and training	42,777	34,199
Service contracts	98,365	68,997
Repairs and renewals	166,933	97,738
Travel	19,867	6,425
Rent and rates	57,927	53,757
Heat and light	34,768	39,427
Phone	58,333	48,124
Insurance	38,319	31,468
Loss on disposal of fixed assets	63,835	7,596
Other fundraising	160,425	119,563
Recruitment	26,127	-
Investment management	20,848	8,177
Other	72,178	83,455
	<b>2,542,278</b>	<b>1,916,716</b>

Included within support costs above are governance costs. These costs include amounts payable to the auditors of £15,750 (2016: £13,000) for audit services and £7,121 (2016: £1,080) for other services.

Following a review of cost allocation undertaken during the year the Group has changed the way it allocates costs between activities, which has resulted in a significant increase in support costs versus those shown in 2016.

**10 Trustees**

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

**THE MARTLETS HOSPICE LIMITED**  
**(LIMITED BY GUARANTEE)**  
**NOTES TO THE ACCOUNTS (CONTINUED)**  
**FOR THE YEAR ENDED 31 MARCH 2017**

**11 Comparative Funds – Statement of Financial Activities for the Year Ended 31 March 2016**

<b><u>Income From:</u></b>	<b>Notes</b>	<b>Unrestricted funds £</b>	<b>Restricted funds £</b>	<b>Total 2016 £</b>
Donations and legacies	3	3,931,914	249,632	4,181,546
Other trading activities	4	4,250,119	-	4,250,119
Charitable activities	5	1,558,523	10,320	1,568,843
Investments	6	107,363	-	107,363
Other income	7	59,801	-	59,801
<b>Total income</b>		<b>9,907,720</b>	<b>259,952</b>	<b>10,167,672</b>
<b><u>Expenditure On:</u></b>	<b>8</b>			
<b>Raising Funds</b>				
Commercial trading and fundraising		3,658,695	-	3,658,695
<b>Charitable Activities</b>				
Hospice running costs		4,397,018	372,989	4,770,007
<b>Total Expenditure</b>		<b>8,055,713</b>	<b>372,989</b>	<b>8,428,702</b>
Net gains/(losses) on investments		(155,703)	-	(155,703)
<b>Net Income/(Expenditure)</b>		<b>1,696,304</b>	<b>(113,037)</b>	<b>1,583,267</b>
<b>Other Recognised Gains/(Losses)</b>				
Pension scheme recovery plan movement		42,715	-	42,715
<b>Net Movement in Funds</b>		<b>1,739,019</b>	<b>(113,037)</b>	<b>1,625,982</b>
Fund balances at 1 April 2015		5,020,809	2,570,199	7,591,008
<b>Fund Balances at 31 March 2016</b>		<b>6,759,828</b>	<b>2,457,162</b>	<b>9,216,990</b>

**THE MARTLETS HOSPICE LIMITED**  
**(LIMITED BY GUARANTEE)**  
**NOTES TO THE ACCOUNTS (CONTINUED)**  
**FOR THE YEAR ENDED 31 MARCH 2017**

**12 Staff Costs**

**Number of Employees**

The average monthly headcount for the year was as follows:

	<b>2017</b>	<b>2016</b>
	<b>Number</b>	<b>Number</b>
Direct charitable activities	<b>119</b>	119
Administration	<b>37</b>	34
Fundraising & Trading	<b>13</b>	10
Martlets Care Ltd	<b>79</b>	72
Martlets Trading Co Ltd	<b>52</b>	55
	<b>288</b>	290

**Staff Costs**

	<b>2017</b>	<b>2016</b>
	<b>£</b>	<b>£</b>
Wages and salaries	<b>5,206,377</b>	4,726,850
Social security costs	<b>390,016</b>	365,499
Pension costs	<b>180,613</b>	219,435
NHS Trust – Contract Staff	<b>667,194</b>	626,223
	<b>6,444,200</b>	5,938,007

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

	<b>2017</b>	<b>2016</b>
	<b>Number</b>	<b>Number</b>
£60,001 - £70,000	<b>2</b>	1
£70,001 - £80,000	<b>1</b>	1
	<b>3</b>	2

Of the employees whose emoluments exceed £60,000, 3 (2016: 2) have retirement benefits accruing under defined benefit pension schemes. Pension contributions for higher paid employees in the year amounted to £12,778 (2016: £7,781).

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

The total employee benefits of the key management personnel (including Employer's National Insurance Contributions) were £364,084 (2016: £349,678).

**THE MARTLETS HOSPICE LIMITED**  
**(LIMITED BY GUARANTEE)**  
**NOTES TO THE ACCOUNTS (CONTINUED)**  
**FOR THE YEAR ENDED 31 MARCH 2017**

**13 Investment Property – Charity and Group**

	<b>Total £</b>
<b>Fair Value</b>	
At 1 April 2016	-
Additions	777,346
Revaluations	84,879
<b>At 31 March 2017</b>	<b>862,225</b>
<b>Net Book Value</b>	
<b>At 31 March 2017</b>	<b>862,225</b>
At 31 March 2016	-

The charity acquired the investment properties from legacy bequests in the year.

**14 Tangible Fixed Assets - Charity**

	<b>Leasehold buildings £</b>	<b>Furniture &amp; equipment £</b>	<b>Computer equipment £</b>	<b>Motor vehicles £</b>	<b>Total £</b>
<b>Cost</b>					
At 1 April 2016	3,229,547	418,893	141,234	11,002	3,800,676
Additions	-	16,060	70,556	-	86,616
Disposals	-	(186,503)	(102,356)	(6,252)	(295,111)
<b>At 31 March 2017</b>	<b>3,229,547</b>	<b>248,450</b>	<b>109,434</b>	<b>4,750</b>	<b>3,592,181</b>
<b>Depreciation</b>					
At 1 April 2016	773,897	257,900	101,444	2,751	1,135,992
On disposals	-	(126,478)	(102,356)	(2,442)	(231,276)
Charge for the year	66,518	46,352	45,406	1,770	160,046
<b>At 31 March 2017</b>	<b>840,415</b>	<b>177,774</b>	<b>44,494</b>	<b>2,079</b>	<b>1,064,762</b>
<b>Net Book Value</b>					
<b>At 31 March 2017</b>	<b>2,389,132</b>	<b>70,676</b>	<b>64,940</b>	<b>2,671</b>	<b>2,527,419</b>
At 31 March 2016	2,455,650	160,993	39,790	8,251	2,664,684

The net book value of fixed assets are applied:

Restricted funds	2,079,004	9,759	-	-	2,088,763
Unrestricted funds	310,128	60,917	64,940	2,671	438,656
<b>Total</b>	<b>2,389,132</b>	<b>70,676</b>	<b>64,940</b>	<b>2,671</b>	<b>2,527,419</b>

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

**THE MARTLETS HOSPICE LIMITED**  
**(LIMITED BY GUARANTEE)**  
**NOTES TO THE ACCOUNTS (CONTINUED)**  
**FOR THE YEAR ENDED 31 MARCH 2017**

**15 Tangible Fixed Assets - Group**

	<b>Leasehold buildings</b>	<b>Furniture &amp; equipment</b>	<b>Computer equipment</b>	<b>Motor vehicles</b>	<b>Total</b>
	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>
<b>Cost</b>					
At 1 April 2016	3,229,547	450,493	169,606	50,527	3,900,173
Additions	-	16,060	70,556	-	86,616
Disposals	-	(194,217)	(116,012)	(13,827)	(324,056)
<b>At 31 March 2017</b>	<b>3,229,547</b>	<b>272,336</b>	<b>124,150</b>	<b>36,700</b>	<b>3,662,733</b>
<b>Depreciation</b>					
At 1 April 2016	773,897	284,000	129,091	35,200	1,222,188
On disposals	-	(134,192)	(116,013)	(10,017)	(260,222)
Charge for the year	66,518	51,852	46,132	8,846	173,348
<b>At 31 March 2017</b>	<b>840,415</b>	<b>201,660</b>	<b>59,210</b>	<b>34,029</b>	<b>1,135,314</b>
<b>Net Book Value</b>					
<b>At 31 March 2017</b>	<b>2,389,132</b>	<b>70,676</b>	<b>64,940</b>	<b>2,671</b>	<b>2,527,419</b>
At 31 March 2016	2,455,650	166,493	40,515	15,327	2,677,985

The net book value of fixed assets are applied:

Restricted funds	2,079,004	9,759	-	-	2,088,763
Unrestricted funds	310,128	60,917	64,940	2,671	438,656
<b>Total</b>	<b>2,389,132</b>	<b>70,676</b>	<b>64,940</b>	<b>2,671</b>	<b>2,527,419</b>

**THE MARTLETS HOSPICE LIMITED**  
**(LIMITED BY GUARANTEE)**  
**NOTES TO THE ACCOUNTS (CONTINUED)**  
**FOR THE YEAR ENDED 31 MARCH 2017**

**16 Fixed Asset Investments**  
**Charity and Group**

	<b>Subsidiary investments</b>	<b>Managed fund investments</b>	<b>Total</b>
<b>Cost / Market value</b>	<b>£</b>	<b>£</b>	<b>£</b>
At 1 April 2016	2	2,505,248	<b>2,505,250</b>
Additions	-	250,314	<b>250,314</b>
Revaluations (see page 29)	-	461,705	<b>461,704</b>
Disposals	-	(263,555)	<b>(263,554)</b>
<b>At 31 March 2017</b>	<b>2</b>	<b>2,953,712</b>	<b>2,953,712</b>
Historical cost:			
<b>At 31 March 2017</b>	<b>2</b>	<b>2,634,214</b>	<b>2,634,214</b>
At 31 March 2016	2	2,641,697	<b>2,641,699</b>

**Subsidiary Companies**

The subsidiary companies noted below are used for non-primary purpose trading activities. For the year under review The Martlets Trading Co Limited was involved in the operation of retail outlets and Martlets Care Limited provided agency bank staff to The Martlets Hospice Limited and other external parties. The total net profit available is gifted to the Charity when available. Corporate income is treated as donations.

**Martlets Care Limited**

Martlets Care Limited is a wholly-owned trading subsidiary, company number 06250709, which is incorporated in England and Wales and provides care services. The Charity owns the entire issued share capital of 1 Ordinary £1 share. A summary of the trading results of the subsidiary is shown below. These include a gift aid donation made to The Martlets Hospice Limited of £153,860 (2016: £109,125), which has been eliminated on consolidation.

<b>Summary profit and loss account</b>	<b>2017</b>	<b>2016</b>
	<b>£</b>	<b>£</b>
Total income	<b>1,460,915</b>	1,288,914
Cost of sales	<b>(997,482)</b>	(893,084)
Administrative expenses	<b>(305,189)</b>	(405,337)
Total expenditure	<b>(1,302,671)</b>	(1,189,296)
Operating profit/(loss)	<b>158,244</b>	99,618
Tax (charge)/credit	-	1,025
Profit/(loss) after tax	<b>158,244</b>	100,643
Transferred to Martlets Hospice Limited	<b>(153,860)</b>	(109,125)
Retained in subsidiary	<b>4,384</b>	(8,482)

**THE MARTLETS HOSPICE LIMITED**  
**(LIMITED BY GUARANTEE)**  
**NOTES TO THE ACCOUNTS (CONTINUED)**  
**FOR THE YEAR ENDED 31 MARCH 2017**

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**16 Fixed Asset Investments (continued)**

**Summary Balance Sheet**

	2017	2016
	£	£
The assets and liabilities of the subsidiary were:		
Current assets	283,720	230,125
Creditors: amounts falling due within one year	(284,380)	(235,169)
Total net assets	<u>(660)</u>	<u>(5,044)</u>
Aggregate share capital and reserves	<u>(660)</u>	<u>(5,044)</u>

**The Martlets Trading Co Limited**

The Martlets Trading Co Limited is a wholly-owned trading subsidiary, company number 04557282, which is incorporated in England and Wales and provides care services. The Charity owns the entire issued share capital of 1 Ordinary £1 share. A summary of the trading results of the subsidiary is shown below. These include a Gift Aid donation made to The Martlets Hospice Limited of £nil (2016: £51,186), which has been eliminated on consolidation.

**Summary Profit and Loss Account**

	2017	2016
	£	£
Total income	<u>1,954,678</u>	<u>1,788,322</u>
Cost of sales	(141,263)	(107,361)
Administrative expenses	(1,984,711)	(1,640,741)
Total expenditure	<u>(2,125,974)</u>	<u>(1,748,102)</u>
Operating profit/(loss)	(171,296)	40,220
Tax (charge)/credit	2,252	2,161
Profit/(loss) after tax	<u>(169,044)</u>	<u>42,381</u>
Transferred to Martlets Hospice Limited	-	(51,186)
Retained in subsidiary	<u>(169,044)</u>	<u>(8,805)</u>
Profit/(loss) after tax	(169,044)	(8,805)
Gift-aided donated goods sold through the parent charity	343,502	414,832
Total contribution from shops	<u>174,458</u>	<u>457,213</u>

**THE MARTLETS HOSPICE LIMITED**  
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**16 Fixed Asset Investments (continued)**

**Summary Balance Sheet**

	2017	2016
	£	£
The assets and liabilities of the subsidiary were:		
Fixed assets	-	13,302
Current assets	169,813	204,746
Creditors: amounts falling due within one year	(334,851)	(212,825)
Provisions for liabilities	-	(1,217)
Total net assets	<u>(165,038)</u>	<u>4,006</u>
Aggregate share capital and reserves	<u>(165,038)</u>	<u>4,006</u>

**Gains and Losses on Investments**

	Unrestricted funds	Restricted funds	Total 2017	Total 2016
	£	£	£	£
Gains/(losses) on managed funds	468,805	-	468,805	(155,703)
Investment property revaluations	84,879	-	84,879	-
	<u>553,684</u>	<u>-</u>	<u>553,684</u>	<u>(155,703)</u>

Gains and losses on managed funds comprises:

	Unrestricted funds	Restricted funds	Total 2017	Total 2016
	£	£	£	£
Realised gains/(losses) on investments	7,100	-	7,100	(9,017)
Unrealised gains/(losses) on investments	461,705	-	461,705	(146,686)
	<u>468,805</u>	<u>-</u>	<u>468,805</u>	<u>(155,703)</u>

**17 Stock**

	Charity		Group	
	2017	2016	2017	2016
	£	£	£	£
Shop stock	-	-	8,756	13,881
Warehouse stock	-	-	3,367	9,023
	<u>-</u>	<u>-</u>	<u>12,123</u>	<u>22,904</u>



**THE MARTLETS HOSPICE LIMITED**  
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**NOTES TO THE ACCOUNTS (CONTINUED)**  
**FOR THE YEAR ENDED 31 MARCH 2017**

**18 Debtors**

	Charity		Group	
	2016	2016	2017	2016
	£	£	£	£
Trade debtors	283,163	252,239	433,191	354,898
Gift aid receivable	48,776	40,710	48,776	40,710
Other debtors	75,531	5,325	76,562	9,711
Amounts due from subsidiary undertakings	356,282	276,446	-	-
Prepayments and accrued income	1,089,622	1,612,729	1,224,304	1,699,812
	<b>1,853,374</b>	<b>2,187,449</b>	<b>1,782,833</b>	<b>2,105,131</b>

Included within prepayments and accrued income is £924,072 (2016: £1.48m) in relation to legacies due to the Charity.

**19 Creditors: Amounts Falling Due Within One Year**

	Charity		Group	
	2017	2016	2017	2016
	£	£	£	£
Trade creditors	260,743	164,885	307,566	202,571
Taxes and social security costs	86,446	73,671	117,466	108,351
Other creditors	6,390	20,852	99,172	102,583
Accruals and deferred income	158,330	197,847	250,654	216,484
	<b>511,909</b>	<b>457,255</b>	<b>774,858</b>	<b>629,989</b>

**Deferred Income**

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

	Charity & Group £
Balance as at 1 April 2016	127,618
Amount released to income earned from charitable activities	(127,618)
Amount deferred in year	60,360
Balance as at 31 March 2017	<b>60,360</b>

**THE MARTLETS HOSPICE LIMITED**  
**(LIMITED BY GUARANTEE)**  
**NOTES TO THE ACCOUNTS (CONTINUED)**  
**FOR THE YEAR ENDED 31 MARCH 2017**

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**20 Provisions**

Provision movements in the year are as follows:

	<b>Charity</b>		<b>Group</b>	
	<b>2017</b>	<b>2016</b>	<b>2017</b>	<b>2016</b>
	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>
Provisions brought forward	<b>103,089</b>	192,930	<b>103,089</b>	192,930
Charge against provision in year	-	(47,126)	-	(47,126)
Actuarial valuation adjustment	<b>(103,089)</b>	(42,715)	<b>(103,089)</b>	(42,715)
	<u>-</u>	<u>103,089</u>	<u>-</u>	<u>103,089</u>

The provision above relates to the Federated Flexiplan No.1 pension deficit, further details of which are disclosed in note 25.

**21 Share Capital**

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

**THE MARTLETS HOSPICE LIMITED**  
**(LIMITED BY GUARANTEE)**  
**NOTES TO THE ACCOUNTS (CONTINUED)**  
**FOR THE YEAR ENDED 31 MARCH 2017**

**22 Restricted Funds**

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

	Balance at 1 April 2016	Income	Expenditure	Transfers between funds	Balance at 31 March 2017
<i>Capital funds:</i>					
Hospice Development	1,449,318	-	(55,028)	-	<b>1,394,290</b>
Refreshing Spaces	264,411	-	(4,869)	-	<b>259,542</b>
Renaissance Project	367,606	-	(11,796)	-	<b>355,810</b>
	<u>1,713,729</u>	<u>-</u>	<u>(71,693)</u>	<u>-</u>	<u><b>2,009,642</b></u>
<i>Revenue funds</i>					
Hospice Running Costs	64,717	28,073	(87,297)	-	<b>5,493</b>
Gateways to Care Project	98,082	-	(1,074)	-	<b>97,008</b>
Thompson Training Fund	140,000	-	(20,000)	-	<b>120,000</b>
Cooper Training Fund	26,897	37,000	(44,397)	-	<b>19,500</b>
Hospice @ Home	32,811	44,485	(77,296)	-	-
Specific Donations	10,820	1,025	(11,845)	-	-
Syringe Driver Servicing	2,500	-	(2,500)	-	-
Equipment	-	27,568	(27,568)	-	-
Choir	-	15,915	(15,915)	-	-
Other	-	6,466	(6,466)	-	-
	<u>743,433</u>	<u>160,532</u>	<u>(294,358)</u>	<u>-</u>	<u><b>242,001</b></u>
	<u><b>2,457,162</b></u>	<u><b>160,532</b></u>	<u><b>(366,051)</b></u>	<u><b>-</b></u>	<u><b>2,251,643</b></u>

***Hospice Development Fund***

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

***Hospice Running Costs***

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

***Refreshing Spaces***

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

***Gateways to Care Spaces***

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

***The Thompson Fund Training Endowment***

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

**THE MARTLETS HOSPICE LIMITED**  
**(LIMITED BY GUARANTEE)**  
**NOTES TO THE ACCOUNTS (CONTINUED)**  
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**22 Restricted Funds (continued)**

***The Cooper Training Fund***

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

***Hospice @ Home***

This cash fund represents our Hospice @ Home service and shows the income and expenditure of restricted grants and donations in the year. This fund includes a £3,000 grant awarded by the February Foundation which was fully spent by the year end.

***Specific Donations***

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

***Renaissance Project***

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

***Syringe Driver Servicing***

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

***Equipment***

This cash fund represents the income and expenditure of restricted income received to fund purchases of equipment.

***Choir***

This cash fund represents the income and expenditure of restricted donations made during the year towards the running costs of the Hospice choir.

***Other***

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

**23 Analysis of Net Assets Between Funds (Group)**

	Unrestricted funds £	Restricted funds £	Total £
Fund balances at 31 March 2017 are represented by:			
Tangible fixed assets	517,777	2,009,642	<b>2,527,419</b>
Investments	3,815,937	-	<b>3,815,937</b>
Current assets	3,635,746	242,001	<b>3,877,747</b>
Creditors: amounts falling due within one year	(774,858)	-	<b>(774,858)</b>
	<b>7,194,602</b>	<b>2,251,643</b>	<b>9,446,245</b>

**THE MARTLETS HOSPICE LIMITED**  
**(LIMITED BY GUARANTEE)**  
**NOTES TO THE ACCOUNTS (CONTINUED)**  
**FOR THE YEAR ENDED 31 MARCH 2017**

**24 Net Cash (Outflow) / Inflow from Operating Activities**

	2017	2016
	£	£
<b>Net Movement in Funds</b>	<b>229,255</b>	1,625,982
Depreciation of tangible fixed assets	<b>173,348</b>	140,236
(Gains)/losses on investments	<b>(553,684)</b>	155,703
Investment income	<b>(113,316)</b>	(107,363)
Loss on disposal of tangible fixed assets	<b>63,834</b>	7,596
(Increase)/decrease in stocks	<b>10,781</b>	1,268
(Increase)/decrease in debtors	<b>322,298</b>	(1,507,319)
Increase/(decrease) in creditors	<b>144,869</b>	(68,510)
Increase/(decrease) in provisions	<b>(103,089)</b>	(89,841)
Investment property donation	<b>(777,346)</b>	-
<b>Net Cash Provided by Operating Activities</b>	<b>(603,050)</b>	157,752

**25 Pension Schemes**

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

***Friends Life***

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

***Scottish Life***

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

***NHS Superannuation Scheme***

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

***Federated Flexiplan Scheme***

The Federated Flexiplan No 1 ("the Plan") is a defined benefit scheme. However, because of the non-associated multi-employer nature of the Plan the Group is unable to identify its share of the underlying assets and liabilities of the Plan on a consistent and reliable basis and therefore it has been accounted for as a defined contribution scheme.

**THE MARTLETS HOSPICE LIMITED**  
**(LIMITED BY GUARANTEE)**  
**NOTES TO THE ACCOUNTS (CONTINUED)**  
**FOR THE YEAR ENDED 31 MARCH 2017**

**25 Pension Schemes (continued)**

The Plan closed to further accrual in January 2010 and following Court hearings for interpretation of the Plan rules, the entitlement of members has been definitively established. An actuarial valuation at 31 March 2009 revealed a significant deficit and a consequent recovery plan required the Group to contribute in respect of its share of the deficit. The basis used to calculate the deficit was chosen to produce a level for the liabilities which was anticipated to be broadly in line with the cost of securing the Plan benefits with an insurer. A further valuation was conducted at 31 March 2012 which indicated that the overall deficit at that date was £17.6 million. More recently, a valuation at 31 March 2015 indicated that the deficit stood at £4.9 million which resulted in a revised recovery plan with repayment requirements at £47,126 per annum until 31 March 2017 and £29,399 per annum from 1 April 2017. However, the scheme actuary has now certified that no further contributions are required to be made in the two years to March 2019 as a result of the scheme trustee entering a buy in covering the scheme liabilities with an insurer in February 2017. No further contributions are anticipated in respect of this scheme.

The total contributions made by the group were as follows:

	<b>Charity</b>		<b>Group</b>	
	<b>2017</b>	<b>2016</b>	<b>2017</b>	<b>2016</b>
	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>
Martlets Group Personal Pension Plan	<b>165,155</b>	140,274	<b>208,222</b>	186,836
NHS Defined Benefit Scheme	<b>20,929</b>	32,599	<b>20,929</b>	32,599
	<b>186,084</b>	172,873	<b>229,151</b>	219,435

Total contributions outstanding at the year end amounted to £8,280 (2016: £7,363) for the group and £4,790 (2016: £2,819) for the charity. These amounts are included in other creditors.

**26 Commitments Under Operating Leases**  
**Charity and Group**

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

	<b>2017</b>	<b>2016</b>
	<b>£</b>	<b>£</b>
Within one year	<b>209,096</b>	217,819
Between one and five years	<b>273,726</b>	379,922
After five years	<b>1,854,200</b>	1,879,600
	<b>2,337,022</b>	2,477,341

Total lease payments recognised as an expense in the year amounted to £123,268 (2016: £213,554).

**THE MARTLETS HOSPICE LIMITED**  
**(LIMITED BY GUARANTEE)**  
**NOTES TO THE ACCOUNTS (CONTINUED)**  
**FOR THE YEAR ENDED 31 MARCH 2017**

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**27 Related Party Transactions**

Legal services were provided by Dean Wilson LLP of which Mr I Wilson, a Trustee of the Charity, was a partner throughout the year. The value of services provided to the Charity amounted to £9,270 (2016: £8,232) and were carried out on normal commercial terms. An amount of £nil (2016: £nil) remained unpaid at the year end.

During the year purchases amounting to £12,390 (2016: £1,522) were made from Mosaic Brighton Limited, a company in which the partner of the Chief Executive is a shareholder, on discounted commercial terms. An amount of £nil (2016: £900) remained unpaid at the year end.

Mr D Waters (a former director of The Martlets Trading Co Limited) had a material interest in Howden Group (previously known as The Care Home Insurance Service) until 29 February 2016. During the year to March 2016 the group were invoiced £17,242 by the company. The services were provided on normal commercial terms.

**28 Contingent Assets**

***Legacy Income***

As at 31 March 2017 the Charity had been notified of residuary legacies where the value of these estates was uncertain as the executors were not able to compile the estate accounts as a result of potential outstanding claims on the estates. No amount has been accrued in respect of these legacies.

***Legal Claim***

At the 2016 balance sheet date the Charity was formulating a potential legal claim concerning building works not fit for purpose at the front entrance of the Hospice. This claim has now been settled in the Charity's favour.

