WATFORD AND DISTRICT MENCAP SOCIETY

England & Wales · Charity number 1004431

Details

Other names	WATFORD AND DISTRICT SOCIETY FOR MENTALLY HANDICAPPED CHILDREN AND ADULTS, WATFORD MENCAP
Status	Registered
Legal form	Charitable company
Company number	02636705
Registered	1991-10-15
Register	View on the Charity Commission register

Contact

Address	Watford & District Mencap Society 92A Langley Road Watford Hertfordshire WD17 4PJ
Phone	01923713620
Email	admin@watfordmencap.org.uk
Website	www.watfordmencap.org.uk

Activities

Objects: A) THE RELIEF OF PEOPLE WITH A LEARNING DISABILITY IN PARTICULAR BY THE PROVISION OF HELP AND SUPPORT FOR THEM AND FOR THEIR FAMILIES, DEPENDANTS AND CARERS, AND TO PREVENT LEARNING DISABILITIES FOR THE PUBLIC BENEFIT AND TO ADVANCE RELIGION AMONGST PERSONS WITH A LEARNING DISABILITY; ANDB) TO PROVIDE OR ASSIST IN THE PROVISION OF FACILITIES FOR THE RECREATION OR OTHER LEISURE TIME OCCUPATION FOR PEOPLE WHO HAVE NEED THEREOF BY REASON OF LEARNING DISABILITY WITH THE OBJECT OF IMPROVING THEIR CONDITIONS OF LIFE.

Activities: Watford Mencap currently provides the following services:Residential Homes, Supported Living and Individualised Living , Learning and Leisure, Children's Activities Clubs and Playschemes, Community Support, Domiciliary Care, Day and College Activity Schemes, Advice and InformationThese services are provided to over 800 service users in Watford, Three Rivers and Hertsmere

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Classification

- **How:** Makes Grants To Individuals, Provides Human Resources, Provides Buildings/facilities/open Space, Provides Services, Provides Advocacy/advice/information
- **What:** Education/training, The Advancement Of Health Or Saving Of Lives, Disability, Accommodation/housing, Amateur Sport, Human Rights/religious Or Racial Harmony/equality Or Diversity, Recreation
- **Who:** Children/young People, Elderly/old People, People With Disabilities, Other Charities Or Voluntary Bodies, Other Defined Groups

Geography

- **Area of benefit:** WATFORD AND DISTRICT
- Hertfordshire

Finances

Period end	Income	Expenditure	Assets	Employees
2025-03-31	£4,023,196	£3,867,092	£2,940,389	176
2024-03-31	£3,428,565	£3,415,874	£2,804,211	170
2023-03-31	£3,411,072	£3,087,616	£2,791,664	161
2022-03-31	£2,949,431	£3,139,963	£2,468,264	158
2021-04-01	£3,087,016	£2,911,303	£2,283,063	134

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Trustees

Name	Role	Appointed
Amanda Lynch		2025-09-20
Annie Whitton		2025-09-20
Beverley Smart also known as Dawkins		2025-09-20
Bryan Webb		2025-09-20
John Good		2022-06-25
Lynn GREEN		
MR RUSS TEAGUE		
Neda Mazraeh		2024-10-05
Nicola Cowap		2023-10-21
Pauline JOY		

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WATFORD AND DISTRICT MENCAP SOCIETY

England & Wales - Charity number 1004431

Accounts

Docusign Envelope ID: 086E6CEC-A3C2-4876-9761-FB0BB342171C

Enabling people with learning disabilities and their families to make the most of life.

Trustee Report & Financial Statements for the year ended 31st March 2025

Registered Company Number: 02636705 (England and Wales)
A Company limited by Guarantee
Registered Charity Number: 1004431

www.watfordmencap.org.uk

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WATFORD AND DISTRICT MENCAP SOCIETY

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WATFORD AND DISTRICT MENCAP SOCIETY

REFERENCE AND ADMINISTRATIVE DETAILS

FOR THE YEAR ENDED 31 MARCH 2025

COUNCIL OF MANAGEMENT	Mr R F Jones	(Chair - resigned 5 October 2024)
	Mrs P Joy	(Interim Chair)
	Mrs N Cowap	
	Mr J Good	(Treasurer)
	Mrs L C Green	
	Mrs N Mazraeh	(Appointed 5 October 2024)
	Mrs P Robertson	(Resigned 28 June 2024)
	Mr J R Teague	
COMPANY SECRETARY	Miss J K Pattinson	
REGISTERED OFFICE	92a Langley Road Watford Hertfordshire WD17 4PJ	
REGISTERED COMPANY NUMBER	02636705 (England and Wales)	
REGISTERED CHARITY NUMBER	1004431	
INDEPENDENT AUDITORS	Mercer & Hole LLP Chartered Accountants Trinity Court Church Street Rickmansworth Hertfordshire WD3 1RT	
CHIEF EXECUTIVE	Miss J K Pattinson	
PRINCIPAL BANKER	NatWest 72 High Street Watford Hertfordshire WD17 2GZ	
WEBSITE	www.watfordmencap.org.uk	

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The trustees (also known as the Council of Management) who are also directors of the charity for the purposes of the Companies Act 2006, present their report with the financial statements of the charity for the year ended 31 March 2025. The trustees have adopted the provisions of Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their financial statements in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2019).

OBJECTIVES AND ACTIVITIES

Objectives

The charity's objects are set out in the Articles of Association and are:

> The relief of people with a learning disability in particular by the provision of help and support for them and their families, dependants and carers and to prevent or alleviate learning disabilities for the public benefit by education, research and life-enhancing medical intervention.
>
> The provision or assistance in the provision of facilities for the recreation or other leisure time occupation for people who have need thereof by reason of learning disability with the object of improving their conditions of life.

"Learning disability" means any developmental disability of the mind and any associated condition howsoever caused and whether mild, moderate or severe.

The charity aims to achieve its objects by seeking to provide user-led and person-centred services which enable people with a learning disability to make the most of life. Services are constantly under review in the light of user needs, government policy, funding availability, and changing needs and practices. Watford Mencap seeks to work with other voluntary and statutory organisations to promote the welfare of people with a learning disability.

Our Values

We are INCLUSIVE People with learning disabilities are at the heart of everything that we do.

We are RESPECTFUL We work in a person-centred way, whilst listening to the views of all.

We are WELCOMING We are approachable and value all.

We are PROGRESSIVE We promote learning to support everyone to achieve their potential.

We are CHALLENGING Through our work we will push the boundaries for individuals, organisations and society.

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OBJECTIVES AND ACTIVITIES - Continued

Our Mission

Enabling people with learning disabilities and their families to make the most of life.

To help make this happen we will

- Support people to enjoy choice and control over their own lives, to enable them to work towards fulfilling their life ambitions and to achieve their potential
- Provide a range of high quality, individually tailored services that focus on the individual and their family
- Support people to obtain their rights and to understand their responsibilities as members of society
- Recognise that people have skills, abilities and expertise and use these to inform our growth and progress
- Campaign to ensure the rights of people with a learning disability and their families are respected and to ensure that they have access to the services they need and to challenge discrimination
- Involve and include learning disabled people in evaluation and decision making at all levels within Watford Mencap

Activities

All of the charity's activities focus on the objects set out in the Articles of Association noted on page 2. It is the charity's aim to be the first port of call in South West Herts for all people with a learning disability, their families and carers. Support may be given in partnership with other relevant organisations. There are no restrictions on access to services other than the charity's capacity and capability to provide the support required to live a fulfilling life. Over the past year Watford Mencap provided 134,939 hours of support to 641 people with learning disabilities.

A life-long journey supported by Watford Mencap every step of the way

People with learning disability are one of the least understood, least visible and most vulnerable sections of our society. They are also a sizeable group.

The Improving Health and Lives (IHAL) profiles produced by the North East Public Health Observatory estimates that approximately 2.5% of the total population have some form of learning disability, which equates to an estimated 1.5 million people in the United Kingdom with a learning disability. This population is predominantly (60%) male and unknown to services; of the estimated 1.2 million adults with a learning disability in England, only 189,000 (21%) are known to local authority or health services. Around 24% of the estimated population with learning disabilities are believed to be children and 76% are believed to be adults. (IHAL, 2011).

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OBJECTIVES AND ACTIVITIES - Continued

The Summary Needs Assessment: Fulfilling Lives for People with Learning Disabilities estimates there may be 5,500 children with learning disabilities in Hertfordshire and Projecting Adult Needs and Service Information 2015 states there are 21,109 people over 18 with a learning disability in the county. This is 1.76% of the total adult population. As of December 2020, Hertfordshire County Council (HCC) adult social care were supporting 4,600 adults with learning disabilities. Public Health England 2016 states there were 22.4 per 1,000 children with a learning disability known to schools in Herts and that 2.5% of children in England have a learning disability. The Herts Learning Disability Joint Commissioning Strategy 2019-24 states only 3,000 adults with learning disabilities were receiving help from local social care services and that local doctors only have 5,000 people on their register of people with learning disabilities in Hertfordshire.

The number of people over 18 with a learning disability is predicted to have increased by 9% by 2025 and the largest projected growth area over the next 10 years is in the 75-84 and 85+ age range with projected increases of 32% and 47% respectively. It was recognised very early on in the pandemic that people with learning disabilities were extremely vulnerable to Covid19 so extra caution would be required. In seeking to serve this section of society Watford Mencap developed a wide range of services.

The pandemic meant that needs changed and services had to constantly evaluate not just what is needed but also what can be safely provided. Services continued to run throughout the pandemic, with large group activities restarting again in April 2022, with infection control measures and some testing still in place throughout 2023/24. During 2024/25 there were small clusters of Covid within the workforce and infection control still remained a high priority. Vaccination was less readily available to staff and younger adults that we support.

Watford Mencap's services can be purchased privately by self-funders, people with individual budgets and direct payments as well as through Herts County Council (HCC) commissioned services. More people are now wanting help from Council and Health services and this throws up an increasing challenge for Watford Mencap as Councils and Health have less money to spend.

Community Activities

This range of services are offered within the community and have a focus on connecting with others whilst meeting individuals' needs. The aim is to provide attractive and fun activities which promote well-being and independence. Activities are available across all age ranges and are based on feedback from people who use the services. Many charge fees that are affordable to people from their weekly income, although help with fees may be sought for those in crisis. These activities are funded largely by grant or fundraising income but may also be subsidised by reserves during start-up, funding gaps or when broadening access for hard-to-reach groups. These services can also be commissioned or paid for privately.

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OBJECTIVES AND ACTIVITIES - Continued

The following activities are offered:

Advice and Information

Initial and ongoing contact through the Advice and Information Service is free to all and funded through fundraising, grants, and reserves if necessary. This service provides information, supports people, and facilitates their efforts to plan their lives and access services. No distinction is made between those who might wish to access services provided by the charity and those for whom another service provider or organisation might be more appropriate - the interests of the individual are paramount. The service offers appointments at the weekly Coffee Morning at the Community Hub which enables easy access to the team.

The information gathered also supports Watford Mencap's campaigning work to highlight unmet needs to local authorities through the co-production groups. The service has been through a period of transition this year with various workers but finished the year with a senior adviser. This has impacted the consistency, but it is now in a good place to push forward and grow the service including reviewing the system of recording. 129 individual people have connected with the service through 1,485 contacts. 59 people have received more intensive support through 93 queries.

Children

The Short Break Contract from HCC was retendered part way through the year and Watford Mencap was again successful. This enabled a range of leisure activities to continue to be delivered, including weekend sessions and holiday activity schemes. All referrals for these services must come through the HCC Short Breaks process. Fundraising supports evening sessions which reduced to 2 evenings a week during the year. The main services continued to grow in the community hub with additional sessions offered. 79 children accessed these activities across the year, attending a total of 1,317 sessions.

Young People

This contract also includes young people and enabled a range of leisure activities including a weekly youth club, weekend sessions and holiday activity schemes for those at both school and college. Young People must come through the HCC Short Breaks Contract process which affects our ability to offer services to some people. Like those for children, evening weekend activities continued alongside the weekly youth club. Holiday activity schemes were also available for those at school and college. 43 young people accessed these activities across the year, attending a total of 971 sessions.

Adults

Adults Day Opportunities – This service continued to develop and expand during the year, offering support to a range of individuals who often need 1:1 support. Those accessing the service receive tailored support, enabling them to choose individual activities in their local community including trips to London Winter Wonderland, pub lunches, canal trips and meeting animals. Over the year the team provided over 15,718 hours of support to a total of 32 people.

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OBJECTIVES AND ACTIVITIES - Continued

Meeting Others –

A range of activities offer adults the chance to meet others and enjoy themselves. The weekly open Coffee Morning at the Community Hub invites people to come and connect with their local community as well as Watford Mencap. The monthly Nightclub continued at POPWORLD along with the Social Hub group on a Tuesday evening for those living in the community. We also delivered a range of ad hoc sessions including games nights, a garden party and a Christmas meal. In total 261 people accessed these activities across the year, attending a total of 2,372 sessions.

Skills Development– The Café in the Library and training kitchen offer learning opportunities for people with learning disabilities to gain skills in all areas of the business including customer service, handling money and food hygiene. A new manager has seen the service grow with increased sales and clients accessing. The team used sessions to support individuals to develop decision making skills as part of the user voice project and also started a cooking club for those living with carers or independently.

During the year 26 people accessed these services, attending a total of 892 sessions

The charity also provides volunteering opportunities for people with learning disabilities to gain retail, administration, and customer care skills. The shop and other trading initiatives provide opportunities to many volunteers, some of whom have a learning disability.

Watford Mencap has a service user and carer base of over 1,450 people with learning disabilities and their carers for its various services. The charity aims to raise awareness of learning disability among the wider population, and of the existence of the charity and the services it provides to those with learning disabilities, their families and carers, as well as other relevant professionals. The charity aims to act as a central point of contact in relation to learning disability in South West Herts, providing information, contacts, advice and, where relevant and possible, services to all who need them.

Support at Home

This range of services is offered in people's homes supporting them in their daily lives to gain independence and to promote choice and control.

1:1 Support in your own Home

The Care and Support Agency provides individualised and person-centred support for people with learning disabilities within the local community. People can be supported with a range of everyday activities, some practical, others more focused on social skills and learning. All work is focused on enablement and helping people to maximise their independence. The team provided over 7,406 hours of support to a total of 45 people with learning disabilities.

24-Hour support in your own Home

The Supported Living team supports 10 people living in 4 different properties across South West Herts. Funding for individuals is from various sources including Individual Service Funds and commissioned hours from HCC's Supported Living Framework. During the year all clients moved to a commissioned service

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OBJECTIVES AND ACTIVITIES - Continued

following discussions with them and their families. During the year the individuals continued to embrace getting out into the community and the teams provided 30,303 hours of support.

16 people are supported in 3 registered care homes run by Watford Mencap. Many people have lived in their home for many years and receive support in all aspects of their life. The homes have seen changes through the year, and we have welcomed several new people to the projects. Residents' needs have continued to increase, with teams adapting their practices and the environment to support them. Recruiting new workers is a continual process and we continue to require Agency staff to support the teams who provided 63,371 hours of support.

Public benefit

In planning and reviewing the above activities, the Council of Management have given careful consideration as to whether they have complied with the duty in section 17 of the Charities Act 2011 to have due regard to the public benefit guidance published by the Charity Commission.

The members, staff and volunteers of Watford Mencap strongly believe in the importance and worth of every individual in our society. The aim inherent in all of the charity's activities is to enable and facilitate the ability of people with a learning disability to make the choices that most of us take for granted. By making a contribution to this aim, the charity provides a public benefit of not only alleviating the potential distress and waste of individuals frustrated by the inability to lead a fulfilling life and the associated impact on their families and carers, but also, in some small way, to make society more tolerant, compassionate and inclusive.

Staff and volunteers

Watford Mencap benefits greatly from the commitment of its 177 paid staff. It also benefits from the support of a number of volunteers in the office, trading and fundraising activities, leisure services and community hub. The contribution of the 27 regular volunteers who worked with the charity over the year is estimated to be approximately 4,096.5 hours (representing the equivalent of approximately 2.1 full-time staff) and their contribution is gratefully acknowledged. We have continued to be supported by a wide range of helpers who donate regular time to help in the garden, at fundraising events and to support our projects. We estimate this additional help from our helpers and supporters to be 255 hours, the approximate equivalent of another 0.13 members of staff. We are truly thankful for this and would not have been able to sustain our projects without this very generous support.

Lower than normal social care sector turnover of front-line staff and a consistent senior management team continue to be a significant achievement for the charity. However the last few years have seen a much greater turnover of frontline staff for the organisation and a greater reliance on agency staffing to ensure we can meet minimum staffing levels and residents' changing needs in our residential projects. The national social care recruitment and retention crisis continues to be a very significant challenge in South West Herts. It is very important to the people and families that the charity supports to know and trust the staff and volunteers. A dedicated team of casual workers work alongside contracted staff, volunteers and regular agency workers to help the charity achieve this consistency of support.

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REVIEW OF THE PAST YEAR

Watford Mencap has thrived in recent years due to the knowledge, experience and stability of key staff and volunteers. During the past year we said goodbye and thank you to Roger Jones our Chair for the past 10 years and Pam Robertson, who has been passionate and incredibly dedicated throughout her 25 years as trustee. We wish them both a happy and enjoyable retirement and pass on our sincere thanks for all their hard work, vision and commitment. Happily, our Treasurer, Pauline Joy agreed to be our interim Chair at our October AGM and John Good a long-standing trustee, moved into Pauline's previous position of Treasurer. We are very pleased that co-opted member Neda Mazraeh also agreed to become a trustee at our AGM. A successful recruitment campaign resulted in the appointment of Beverley Dawkins who will take over the permanent Chair position once her induction is complete. Beverley has a long history working for Royal Mencap, as CEO for the charity Generate and supporting people with profound and multiple learning disabilities and their families. We are also very pleased that Amanda Lynch, who has a family member who uses our services has also become a co-opted member of our Council of Management. We are currently also interviewing for 2 further potential trustees who will bring additional IT and fundraising experience to our board of trustees.

Staff recruitment remained a priority for us over the year with the need for additional staffing to meet residents' changing needs. Our approach was successful within the very challenging social care environment, with our 6-7% vacancy level falling well below the national average from Skills for Care at 13%. Our management team remained stable and development opportunities were created and expanded for staff.

Vacancies within the fundraising team enabled us to restructure and successfully appoint to 2 new posts which have already expanded our community fundraising and will strengthen our marketing and communications. We are particularly grateful to Jen Joy a volunteer who has helped us develop a new website, which will be launched very soon.

In October 2024, with great sadness we lost our HR colleague Sian Hooley, she is very sadly missed. Our thoughts and condolences go to her family, who are long term supporters of Watford Mencap.

Uncertainty around finances and funding meant we temporarily delayed recruitment to the volunteer coordinator post. However, we continued to be supported by a team of committed volunteers. We were also fortunate to have the support of 2 volunteers from the Cranfield Trust to help us with a marketing project for the café and business planning for 2025/26, sharing their expertise and helping us to reduce costs. We plan to appoint to the 20hr volunteer coordinator position during 2025/26.

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REVIEW OF THE PAST YEAR – Continued

Our budget for 2024/25 was extremely challenging. Restructure, staffing changes and cost savings within Herts County Council led to a number of voids in our residential homes being vacant for many months. We were relieved to fill 3 voids at Thorpedale in December 2024 and a further 2 at Hillside in May 2025, with a referral also now received to fill our final void. Successful tenders awarded Watford Mencap places on both the Short Breaks Local Offer and Supported Living frameworks for Hertfordshire – however at minimum hourly rates of pay. We decided not to make a submission for the User Voice tender, as HCC funds available did not cover project costs, but we were successful in gaining a 6 month grant to extend some short-term user voice work through a successful new cookery club. We also made a request to HCC to uplift the weekly fee payable for a place in our Berrywood residential care home.

The sudden news of the unplanned lowering of the NI threshold, the planned minimum wage increases and rise in NI contributions that came with the Autumn budget were calculated to increase our annual salary bill by £126,000 from 1st April 2025. We spent several months lobbying locally for change with local Councillors, our MP and as part of Herts Care Providers Association. The impact of this news was potentially devastating and sadly with these sudden additional costs looming we felt it prudent to delay our planned June 2024 pay award.

Several months were spent in limbo not knowing if many services would be funded by HCC for 2025/26, whilst Council budgets were being finalised. In March 2025 we learned that HCC would be uplifting our funding to cover the majority but not all of the additional costs coming from the Autumn budget. We were also relieved to hear that the funding for many services had been extended in the short term by a further 12 months. This news enabled us to avoid closing and cutting back services and to then make a pay award to staff of 6.17% from March 2025, with an exceptional discretionary end of year payment paid from October 2024 to staff.

Significant steps have been made over the year to decrease the losses in the café and Care and Support agency, and this work will continue over the next year. We have made an expression of interest in the new Town Hall café and have expanded the use of our training kitchen.

We made several improvements to our systems and recording, updating to a new payroll platform, awarding a new IT support contract and updating our training records and systems – all of this is helping us to work more efficiently. We will also be looking at our transport and phone contracts and make recommendations for change in the forthcoming months.

Work continued on the renegotiation on the Bushey shop lease, and we are extremely grateful to Adrian Thompson for his ongoing support with this. We are currently holding over on the lease.

Our staff forum continues to meet 3 monthly and our People's Choice staff recognition and Care Friends referral scheme are now embedded and working well. Our Investors in People annual review went well and we proudly retained our Advice Quality Mark, with no corrective actions at assessment. Our HCC Pamms ratings are now good in all projects except Berrywood, where we have a robust action plan in place. We were extremely disappointed to only receive a Requires Improvement rating at the CQC reinspection of Hillside – this does not reflect the hard work and commitment of the team, the family feedback or the HCC good quality rating for the project.

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REVIEW OF THE PAST YEAR – Continued

In April 2024 we gained the planning permission for the building of a new play barn, sensory garden and community allotment at our 92a Langley Road hub. The play barn will house the much-missed soft play and ball pool from the Lemarie Centre. Significant funds have been raised to support the project, these along with 2 legacies and surplus funds from 2024/25 ensure that we now have sufficient funds in place to commence the project. The works went out in a closed tender managed by Groundworks in June 2025 with the plan to commence building and landscaping in September 2025.

Throughout the year we were also able to continue with our programme of updating our housing and were pleased to make significant improvements to welcome and meet new residents needs in both the homes and their gardens. The refurbishment project at Thorpedale was completed and enabled new residents with different needs to move in, filling the 3 voids.

We were delighted to receive an RHS Hampton Court Show Garden from designer Tim Jennings and are extremely grateful to the donors and supporters who enabled us to move the garden into a quiet area of reflection at 92a Langley Road. Volunteers from the Institute for Government helped us prepare the site and Watford Mencap staff, volunteers and people we support helped present the garden to the public at Hampton Court. In September 2024 we held a family fun afternoon to celebrate the opening of our new garden in Watford. We were also able to complete the works on our frontage at 92a, smartening up the approach to the building, putting new fencing and gates in place as well creating a new safe space for fire evacuation.

Our Doing It Together subgroup has met throughout the year and in December 2024 people we support and their families completed our annual satisfaction survey. We proudly continued to run a full calendar of events making them all as inclusive as possible and adding new activities to the regular Pop World, 10k, Santa Dash, weekly coffee morning etc. The location of our hub in Langley Road enables our day opportunities project to be always out and about, exploring and building links within our local community.

It was a challenging year, with many external factors having an unplanned and sudden impact on Watford Mencap. However, the commitment of our staff and volunteers enabled us to come through the storm, stronger and more resilient with our values intact. The funding uplifts received from HCC in April 2025 and the filling of our residential voids now places us in a strong position to move forward with exciting new projects over the next 12 months, whilst also completing some work that we had to pause during the uncertain financial period in 2024/25.

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FUNDRAISING AND TRADING

Watford Mencap is an independent local charity that is responsible for raising all its own funding to support local people with learning disabilities. Although affiliated to the national Royal Mencap charity, it receives no funding from them other than grants they distribute on behalf of other funders.

Starting the year with a part time Fundraising Manager and the shop staff, the team was joined in September by Jolene Stephens to take on community fundraising activities.

Specialist bid writing support was engaged to create targeted applications to two larger funders.

The Hub at 92a continues to be a great showcase for the charity. Visitors and potential donors are always impressed by the welcoming and inclusive atmosphere. This has led to a number of prospective donations turning into confirmed gifts.

The charity's small team manages a portfolio of activities that generate income to fund the projects we believe are of value to our clients, but which do not attract local authority funding. By engaging in a variety of fundraising methods we believe that we are reducing our risk and ensuring we do not become over-reliant on a single source of income generation.

We are grateful for the support of Watford Borough Council, Watford & Three Rivers Trust, Hertfordshire County Council and Hertfordshire Community Foundation for their ongoing support including grants and donations.

The Watford 10k and Santa Dash are our two high profile community events, and we are grateful to Warner Bros. for their continued support in sponsoring these events. The Ricky Pancake Race continues to highlight the charity, and other events have included Christmas gift wrapping and a dinner at West Herts College. A number of these events have enjoyed the support of Watford Mayor Peter Taylor and South West Herts MP Gagan Mohindra.

We have improved the accessibility and inclusivity at these events both for participants as well as volunteering opportunities.

We are grateful to the many volunteers who give their time and expertise generously.

We hosted a 'Meet the Mayor' session in early summer. This increased our profile amongst local businesses, as did our presence at Watford Expo and Purple Tuesday. Attendance at these events and other networking has helped to engage with various community groups leading to several donations.

We were once again a beneficiary charity of Atria Shopping Centre's Give A Gift appeal. Community groups such as Bushey & Oxhey Round Table and Shrimad Rajchandra Mission Dharampur (UK) have donated time and gifts.

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FUNDRAISING AND TRADING – continued

A team from the Institute for Government held an away day at 92a, helping to prepare the space for the incoming Royal Horticultural Society Garden which was donated to Watford Mencap in July 2024. Other corporate team days include Natwest Bank and Warner Bros Studio Leavesden.

Our online presence continues to grow both in numbers and engagement. Social media reach has increased considerably over the year.

- Facebook content interactions were 12.7k across the year, a rise of 47%. Engagement rate 1.22%
- Instagram content interactions were 1.5k across the year, a rise of 100%. Engagement rate 1.32%
- LinkedIn content created 66 reactions across the year. Measurement to the previous year was not possible. Engagement rate 3.3%

Generally, an engagement rate of between 1 and 3% is considered good. So our platforms are performing well.

A volunteer spent considerable time understanding the charity and then building a new website. This project will be picked up 2025-6 by the new communications & marketing officer who will input content to launch the website to the public.

The Watford Mencap lottery continues to provide a steady income with potential for growth.

We treasure our strong relationship with several local businesses such as Warner Bros., TK Maxx and Homesense Foundation, Marshall Vizard and Veale Wasbrough Vizards who provide us with financial, technical and practical support. We are also grateful to individual members of the local community that support us. Many make regular donations to us but choose to remain anonymous.

The Bushey charity shop enjoyed a successful year of trading seeing an increase in both number of sales and value of transactions. This was mitigated by increased cost of utilities and a significant and sustained slump in income from textile recycling. The charity retail industry is monitoring and working alongside the textile recycling industry and we will adapt our methods as necessary to support the continuation of this vital means of waste disposal.

We take great care to ensure that all our fundraising activities comply with the Fundraising Regulator's voluntary regulation scheme. The activities of our fundraising team are monitored by the fundraising manager and the chief executive. The team works closely with supporters who wish to raise funds for the charity, providing support and guidance to ensure that events held in aid of our charity meet the requirements of the scheme. We seek to work in partnership with our supporters and to develop a long-term relationship with them. To this end, we consciously avoid exerting undue pressure on potential donors and do not participate in direct mailing or telephone solicitations. The fundraising team actively seeks feedback on its activities, both positive and negative, in order to keep improving performance. We have a procedure to investigate any formal complaints received, and, once again, we received no complaints about our fundraising activities.

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FINANCIAL REVIEW

Financial position

The charity ended the year with an overall surplus of £136,178 (2023/24 £12,547). These amounts included one off donations to our garden project of £43,000 (2023/24 £50,000). Decisions around implementing our inflationary 2024/25 pay award were delayed until March 2025 due to the impact of NI changes announced within the Autumn budget and the uncertainty of future funding from HCC to cover these additional project and staffing costs. In March 2025 we received the positive long awaited news that HCC would increase our funding to meet some of this additional and ongoing cost from 1st April 2025.

The charity aims to achieve an operating surplus each year. Building and maintaining an adequate level of reserves and ensuring financial stability is a key objective for its management team and they have been very successful in doing so.

In 2021/22 the charity suffered an operating loss due to the costs incurred during the pandemic and increasing costs in residential care which were not covered by a commensurate increase in the funding available from HCC. The return to operating surplus in 2022/23 and 2023/24 was due to HCC's recognition that the fees being paid in some of the residential homes were such as to render those homes financially unsustainable in the long run. The money provided by HCC from its sustainability funds and a later fee uplift for our Hillside and Thorpedale residential care homes to compensate for historical underfunding was extremely welcome. Looking forward, we are optimistic that the new, more realistic, bed prices will enable Watford Mencap to provide high-quality residential care services for the foreseeable future. However, throughout 2024/25 our residential care homes were faced with several voids which were slow to fill largely due to HCC restructure. We have again submitted a request to HCC for an uplifted fee for our Berrywood residential care home.

It remains the case, however, that providing a long-standing good level of care requires committed, well-paid staff and the entire sector remains vulnerable as a result of central government failure to tackle the issue of social care and its funding. A number of supported living and residential care homes in Hertfordshire have closed in recent years as a result. The rise in NI costs and minimum wage along with the lowering of the NI threshold from 1st April 2025 will have a significant financial impact on the charity, with additional costs estimated to be around £126,000 for 2025/26.

Further detail is provided in the notes to the financial statements and the reserves section regarding the restricted funds (funds legally restricted to specific projects); general funds (unrestricted); and designated funds (set aside by the Society for specific purposes).

Voluntary/other income covers all non-statutory sources of income, primarily fundraising, grants, legacies, donations, fees, rent, charity shop and trading. These sources of income accounted for 20% (2023/24: 20%) of the charity's total income during the period.

The Individual Service Funds are received by the charity on behalf of the fund-holder and expended on services of the fund-holder's choice, be they Watford Mencap services or provided by some other organisation or individual. These funds do not impact the charity's year end results or the level of reserves. During 2024/25 these Individual Service Funds moved to directly commissioned services.

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Financial position - continued

The financial outlook remains challenging at the operating level with the need to complete the garden works at 92a Langley Road, potential voids in care homes, staffing challenges and the ongoing pressure on statutory funding sources expected to continue for several years. HCC remains the primary source of contract income in the year accounting for 80% (2023/24: 80%) of the charity's total income during the period.

The charity continues to seek other sources of income, particularly through diversifying fundraising activity and expansion to the fundraising team in May 2025, as well as continuing to develop structures and systems in order to be as cost efficient as possible.

As noted above, the market in which the charity operates is becoming increasingly challenging. In the face of the national and ongoing social care recruitment and retention challenge, the Society has agreed a budget for 2025/26 with a small operating surplus. This will be highly dependent on having a small number of voids, which are filled quickly in our residential care homes. We currently see no need to review service provision at present. While the financial position is satisfactory at the moment, planning for future years with any degree of certainty is extremely difficult due to ongoing pressures to statutory funding.

Investment policy and objectives

Aside from retaining a prudent amount in reserves each year, most of the charity's income is spent on the provision of services. Cash balances are held in bank current or deposit accounts or put on fixed term deposit. Investment income was £25,054 compared with £33,102 in 2023/24.

The Investment policy is for long-term reserves to be deposited or invested to grow at least in line with inflation, at low risk to capital. The remainder of reserves have an investment objective of preserving the capital value with a minimum level of risk.

Reserves policy

The Society had reserves of £2,940,389 at 31 March 2025 of which £118,059 was restricted, £2,580,317 was designated (which includes £1,930,740 related to fixed assets) and £242,013 represented the unrestricted general funds.

The charity's Council of Management consider that it should hold reserves to cover the cost of re-housing clients in the event that no further income is provided to Watford Mencap for housing services. In order to be able to realise the value of the freehold properties, it would be necessary to re-furbish and/or remodel the existing accommodation. There would be redundancy and related staff costs if the charity were to close these services, as well as exit and orderly wind down costs relating to termination of services, property leases, dilapidations, etc.

Taken together, these costs are estimated to be equivalent to 6 months' operational expenditure.

Budgeted expenditure for 2025/26 is £4.1m and on this basis, the unrestricted reserves should therefore be £2.05m which is covered by the actual figure of £2,822,330.

Auditor

In accordance with the company's Articles, a resolution proposing that Mercer & Hole LLP be reappointed as auditor of the company will be put at the forthcoming Annual General Meeting.

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FUTURE PLANS

In preparing the plans for 2025/26, a number of factors were considered:

- The current policy and regulatory environment concerning social care and learning disability
- The demographic outlook and changing needs of the local population
- The impact of the external environment on Watford Mencap
- The need to roll forward the objectives from previous years which were not achieved but remain relevant
- The actions identified as priorities by the risk management process
- The actions required to sustain and improve individual services

We completed our usual face to face trustee and senior management team strategy and business planning days facilitated by David McFarlane, an external volunteer facilitator from the Cranfield Trust and Jon Ralphs a graphic facilitator. We also considered a range of current stakeholder feedback, feedback from our annual survey, regular coffee mornings, staff forum and management team. This resulted in the setting of priority areas of work for the 2025/26 Business Plan.

Our vision for the next year

Doing It Together - People with learning disabilities will be at the heart of everything thing we do

- **Living our values**

We will remain a strong and vibrant charity, living our values, involving people with learning disabilities, so we continue to provide high quality support to people with learning disabilities and their carers.

- **Serving our community**

Our work is primarily based in Watford, Three Rivers and Hertsmere. We are open to opportunities beyond this area through new partnerships, where these are beneficial to the aims of Watford Mencap and the people we support, or there is evidenced need and available funding.

- **Being person centred**

We offer a range of services and support options from cradle to grave with an emphasis on enhancing people's skills and ability to take personal responsibility. We want to ensure people are active, valued members of society who are supported by a range of services within their local community.

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FUTURE PLANS – Continued

- Targeting our influence

We proactively seek opportunities to develop new services, funding, and new ways of influencing/ campaigning for people with learning disabilities.

- Evolving our services

Our services will continue to evolve to enable them to meet the needs of an increasing population with more complex and higher needs.

- Valuing our people

We will develop and support our skilled and committed workforce to be customer focused, flexible, proactive, and responsive to people's needs.

Volunteers are an integral part of our workforce.

- Building the infrastructure

Our developing service delivery will be supported and sustained by a responsive, flexible, and resilient infrastructure.

- Securing funding

Our Commissioned Services will be self-funding and open to possibilities of new opportunities. A robust and responsive fundraising and income generation strategy will generate income to support the expansion of our advice and information and learning and leisure non-commissioned services.

Practically this sits as 5 key areas of focus in our 2025/26 business plan

- Developing our communications, reaching more people – new website, embedding new communications role, implementing café marketing plan and running a Friends of Watford Mencap group
- Having the right people in post to retain and develop quality services and support - recruitment and retention of trustees, staff and volunteers. Exploring the resources needed for a new community activities team
- Maintaining and developing our activities – full occupancy, good quality ratings, reviewing transport needs, completion of garden project, pilot family advice sessions, explore Town Hall café project
- Having sufficient funds in place to sustain growth – Berrywood fees, advice service funding, renew Bushey shop lease, maintain focus on café and care and support agency to ensure projects operate in line with budget
- Ensuring we are efficient and effective– reviewing systems, new mobile contract, embracing new technology

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STRUCTURE, GOVERNANCE AND MANAGEMENT

Governing document

Established in the 1950s, the organisation is a charitable company limited by guarantee, incorporated on 9 August 1991 and originally registered as a charity on 15 October 1991. The company was established under a Memorandum of Association, which sets out the object and powers of the charitable company and is governed under its Articles of Association. In the event of the company being wound up, members are required to contribute an amount not exceeding £1. There were 60 members as at 1 April 2025.

Recruitment and appointment of trustees (Council of Management)

The directors of the company are also charity trustees for the purposes of charity law and under the company's Articles are known as members of the Council of Management. Under the requirements of the Memorandum and Articles of Association, the members of the Council of Management are elected to serve for a period of three years, after which they must be re-elected at the next Annual General Meeting.

A full list of members of the Council of Management who served during the year and up to the date of this report is set out on page 1. Mindful of the focus of the charity's work on the needs of those with learning disabilities and their families, the Council of Management seeks to ensure that user and carer views are represented alongside wider business and organisational skills on the Council of Management.

Organisational structure

The Council of Management consists of up to 12 members who meet quarterly and are who are responsible for the strategic direction of the charity. At 1 April 2025, the Council of Management had 6 full members and 2 co-opted advisors - drawn from a variety of backgrounds relevant to the work of the charity - including family carers.

Day to day responsibility for provision of the services is delegated to the Chief Executive who leads the Senior Management Team. This team is responsible for ensuring that the charity delivers the business plan and that key performance indicators are met.

Monitoring of operational performance is undertaken by the Finance and Audit Committee and Operations Committee as well as the Council of Management. Our Doing It Together sub group also met regularly through the year.

Induction and training of trustees (Council of Management)

A trustee induction pack and programme are in place to ensure that all new trustees and co-opted advisors are made aware of their roles and responsibilities. This includes helping them understand their role and duties; providing copies of relevant documentation such as the Memorandum and Articles of Association, Business and Operational Plans, and accounts; and visiting sites and services, including meeting all senior managers, and ensuring compliance with the 2017 Code of Governance.

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STRUCTURE, GOVERNANCE AND MANAGEMENT - Continued

Royal Mencap

Watford Mencap is an independent charity, affiliated to the umbrella organisation Royal Mencap. Watford Mencap pays an annual affiliation fee for the right to use the Mencap name and must also comply with the requirements of the Royal Mencap Partnership Agreement which sets out minimum standards in terms of policies and procedures for organisations using the Mencap name.

There is no financial support from the national organisation, but it does have the power, under the Articles of Association, to dismiss trustees who bring the Mencap name into disrepute.

Risk management

The Council of Management regularly reviews the major risks to which the charity is exposed. A risk register outlines these risks, and the systems, procedures or actions to be taken in mitigation. The register is regularly updated and reviewed by the Finance and Audit Committee and Council of Management and is included in the annual Business Plan.

External risks to funding are constantly monitored and alternative income sources sought. Regulatory and legal requirements are implemented and monitored to ensure the delivery of consistently high-quality services. Internal control risks are minimised by strict authorisation and monitoring procedures.

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STATEMENT OF TRUSTEES RESPONSIBILITIES

The trustees (who are also the directors of Watford and District Mencap Society for the purposes of company law) are responsible for preparing the Report of the Trustees 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. Under company law the trustees must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the charitable company and of the incoming resources and application of resources, including the income and expenditure, of the charitable company 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 Charity SORP 2019 (FRS 102);
- make judgements 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 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 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 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 auditors are unaware; and
- The trustees have taken all the steps that they ought to have taken in order to make themselves aware of any relevant audit information and to establish that the auditor is aware of that information.

AUDITORS

The auditors, Mercer & Hole LLP, will be proposed for re-appointment at the forthcoming Annual General Meeting.

This report has been prepared in accordance with the special provisions of Part 15 of the Companies Act 2006 relating to small companies.

Approved by order of the board of trustees on 20th September 2025 and signed on its behalf by:

DocuSigned by:
Pauline Joy
24AF17239797431...

Mrs P Joy – Interim Chair

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Opinion

We have audited the financial statements of Watford and District Mencap Society for the year ended 31 March 2025 which comprise the statement of financial activities, the balance sheet, the statement of cash flows and the notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the charitable company's affairs as at 31 March 2025 and of its incoming resources and application of resources, including its income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

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

Conclusions relating to going concern

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

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

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

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Other information

The other information comprises the information included in the trustees annual report, other than the financial statements and our auditor's report thereon. The trustees are responsible for the other information contained within the annual report. 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. 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 course of 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 this gives rise to a material misstatement in the financial statements themselves. 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.

Opinion 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 directors' report) for the financial year for which the financial statements are prepared is consistent with the financial statements; 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 charitable company and its environment obtained in the course of the audit, we have not identified material misstatements in the report of the trustees.

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:

- adequate accounting records have not been kept by the charitable company, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of trustees' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit; or
- the trustees were not entitled to prepare the financial statements in accordance with the small companies' regime and take advantage of the small companies' exemptions in preparing the directors' report and from the requirement to prepare a strategic report.

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Responsibilities of trustees

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

In preparing the financial statements, the trustees are responsible for assessing the 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 charitable company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in 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 specific procedures for this engagement and the extent to which these are capable of detecting irregularities, including fraud is detailed below.

Explanation as to what extent the audit was considered capable of detecting irregularities including fraud

We gained an understanding of the legal and regulatory framework applicable to the company and the industry in which it operates and considered the risk of acts by the company that were contrary to applicable laws and regulations, including fraud. These included, but were not limited to, the Companies Act 2006 and tax legislation.

We evaluated management's incentives and opportunities for fraudulent manipulation of the financial statements and the financial report (including the risk of override of controls), and determined that the principal risks were related to posting inappropriate entries including journals to overstate revenue or understate expenditure and management bias in accounting estimates.

Audit procedures performed by the engagement team included:

- discussions with management, including considerations of known or suspected instances of non-compliance with laws and regulations and fraud;
- gaining an understanding of management's controls designed to prevent and detect irregularities; and
- identifying and testing journal entries.

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Owing to the inherent limitations of an audit, there is an unavoidable risk that we may not have detected some material misstatements in the financial statements, even though we have properly planned and performed our audit in accordance with auditing standards. For example, the further removed non-compliance with laws and regulations (irregularities) is from the events and transactions reflected in the financial statements, the less likely the inherently limited procedures required by auditing standards would identify it. In addition, as with any audit, there remained a higher risk of non-detection of irregularities, as these may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal controls. We are not responsible for preventing non- compliance and cannot be expected to detect non-compliance with all laws and regulations.

A further description of our responsibilities is available on the Financial Reporting Council's website at: https:// www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditor's report.

Use of our report

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

The maintenance and integrity of the Watford and District Mencap Society website is the responsibility of the trustees; the work carried out by the auditors does not involve consideration of these matters and, accordingly, the auditors accept no responsibility for any changes that may have occurred to the financial statements since they were initially presented on the website.

DocuSigned by:
Jolene Upshall
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13/10/2025

Date: .....

Jolene Upshall FCA
for and on behalf of Mercer & Hole LLP
Chartered Accountants
Trinity Court
Church Street
Rickmansworth
Hertfordshire
WD3 1RT

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WATFORD AND DISTRICT MENCAP SOCIETY

STATEMENT OF FINANCIAL ACTIVITIES (INCLUDING INCOME AND EXPENDITURE ACCOUNT)

FOR THE YEAR ENDED 31 MARCH 2025

	Notes	General funds	Designated funds	Restricted funds	Total funds 31.03.25	Total funds 31.03.24
		£	£	£	£	£
INCOME						
Donations and legacies	3	**6,839**	**-**	**50,500**	**57,339**	95,804
Charitable activities	6					
From public authorities		**2,998,969**	**-**	**208,304**	**3,207,273**	2,732,104
Grants		**59,550**	**-**	**52,561**	**112,111**	47,800
Rental income		**207,657**	**-**	**-**	**207,657**	194,406
Fees for using facilities and services		**256,400**	**-**	**-**	**256,400**	180,378
Café income		**55,854**	**-**	**-**	**55,854**	49,689
Other trading activities	4	**90,156**	**-**	**-**	**90,156**	93,311
Investment income	5	**25,054**	**-**	**-**	**25,054**	33,102
Other income		**11,352**	**-**	**-**	**11,352**	1,971
Total		**3,711,831**	**-**	**311,365**	**4,023,196**	3,428,565
EXPENDITURE						
Cost of Raising funds	7					
Fundraising activities		**60,116**	**-**	**-**	**60,116**	65,631
Other trading activities		**56,208**	**-**	**-**	**56,208**	54,371
Charitable activities	8					
Advice and information		**15,690**	**-**	**6,217**	**21,907**	21,364
Community activities		**808,418**	**-**	**46,312**	**854,730**	785,553
Support at Home		**2,656,851**	**-**	**217,280**	**2,874,131**	2,488,955
Total		**3,597,283**	**-**	**269,809**	**3,867,092**	3,415,874
Net income	9	**114,548**	**-**	**41,556**	**156,104**	12,691
Transfers between funds	19	**(383,149)**	**383,149**	**-**	**-**	-
OTHER RECOGNISED GAINS						
Actuarial losses relating to pension scheme deficit	17	**(19,926)**	**-**	**-**	**(19,926)**	(738)
Gain on disposal of fixed assets	10	-	-	-	-	594
Net movement in funds		**(288,527)**	**383,149**	**41,556**	**136,178**	12,547
RECONCILIATION OF FUNDS						
Total funds brought forward	13	**530,540**	**2,197,168**	**76,503**	**2,804,211**	2,791,664
TOTAL FUNDS CARRIED FORWARD	19	**242,013**	**2,580,317**	**118,059**	**2,940,389**	2,804,211

All income and expenditure has arisen from continuing activities.

The notes form part of these financial statements

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WATFORD AND DISTRICT MENCAP SOCIETY

BALANCE SHEET

AT 31 MARCH 2025

	Notes	31.03.25 £	31.03.24 £
FIXED ASSETS			
Tangible assets	14	**2,178,290**	2,190,727
CURRENT ASSETS			
Debtors	15	**97,501**	108,185
Cash at bank		**1,144,071**	1,052,100
		1,241,572	1,160,285
CREDITORS			
Amounts falling due within one year	16	**(459,721)**	(537,877)
NET CURRENT ASSETS		**781,851**	622,408
TOTAL ASSETS LESS CURRENT LIABILITIES		**2,960,141**	2,813,135
PROVISIONS	17	**(19,752)**	(8,924)
NET ASSETS		**2,940,389**	2,804,211
FUNDS	19		
Unrestricted funds		**2,822,330**	2,727,708
Restricted funds		**118,059**	76,503
TOTAL FUNDS		**2,940,389**	2,804,211

These financial statements have been prepared in accordance with the special provisions of Part 15 of the Companies Act 2006 relating to small charitable companies.

The financial statements were approved by the Board of Trustees on 20th September 2025 and were signed on its behalf by:

DocuSigned by: Pauline Joy 24AF17239797431...
Mrs P Joy –Trustee (Interim Chair)

Signed by: John Good E64884E1AD954CF...
Mr J Good (Treasurer)

REGISTERED COMPANY NUMBER: 02636705 (England and Wales)
REGISTERED CHARITY NUMBER: 1004431

The notes form part of these financial statements

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WATFORD AND DISTRICT MENCAP SOCIETY

CASH FLOW STATEMENT

FOR THE YEAR ENDED 31 MARCH 2025

	Notes	31.03.25 £	31.03.24 £
Cash flows from operating activities:			
Net cash (used in) provided by operating activities	26	**66,917**	528,133
Interest paid		-	(11,766)
Cash flows from investing activities:			
Interest received		**25,054**	33,102
Acquisition of fixed assets	14	-	(17,953)
Proceeds on disposal of fixed assets	10	-	594
Net cash provided by (used in) investing activities		**25,054**	15,743
Cash flows from financing activities:			
Repayment of bank loans	27	-	(254,514)
Net cash (used in) provided by financing activities		-	(254,514)
Change in cash and cash equivalents in the reporting period		**91,971**	277,596
Cash and cash equivalents at the beginning of the reporting period		**1,052,100**	774,504
Cash and cash equivalents at the end of the reporting period		**1,144,071**	1,052,100

The notes form part of these financial statements

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1. COMPANY INFORMATION

Watford and District Mencap Society is a public benefit entity registered as a charity in England and Wales and a company limited by guarantee. It was incorporated on 9 August 1991 (company number: 02636705) and registered as a charity on 15 October 1991 (charity number: 1004431).

The company was established under a Memorandum of Association which established the objects and powers of the charitable company and is governed under its Articles of Association.

In the event of the charitable company being wound up, members are required to contribute an amount not exceeding £1 each.

The registered office of the charity is: 92a Langley Road, Watford, Hertfordshire, England, WD17 4PJ.

2. ACCOUNTING POLICIES

Basis of preparing the financial statements

The financial statements of the charitable company, which is a public benefit entity under FRS 102, have been prepared in accordance with the Charities SORP (FRS 102) 'Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their financial statements in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2019)', Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' and the Companies Act 2006. The financial statements have been prepared under the historical cost convention. Assets and liabilities are initially recognised at historical cost or transaction value unless otherwise stated in the relevant accounting policy note(s).

Preparation of the financial statements on a going concern basis

The financial statements are drawn up on the going concern basis which assumes Watford and District Mencap Society will continue in operational existence for the foreseeable future. The Council of Management have given due consideration to the working capital and cash flow requirements of Watford and District Mencap Society. The Council of Management consider Watford and District Mencap Society's current and forecast cash

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2. ACCOUNTING POLICIES - continued

resources to be sufficient to cover the working capital requirements of the charity for at least 12 months from the date of signing the financial statements.

Critical accounting judgements and key sources of estimation uncertainty

The preparation of the financial statements requires the Council of Management to make judgements, estimates and assumptions that affect the amounts reported for assets and liabilities as at the balance sheet date and the amounts reported for income and expenditure during the period. However, the nature of estimation means that actual outcomes could differ from those estimates.

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

Income

Income is recognised when the charity has entitlement to the funds, any performance conditions attached to the item(s) of income have been met, it is probable that the income will be received and the amount can be measured reliably. Income received in advance of a service is deferred until the criteria for income recognition are met. Income arises in the United Kingdom.

Income from government and other grants, whether 'capital' grants or 'revenue' grants, is recognised when the charity has entitlement to the funds, any performance conditions attached to the grants have been met, it is probable that the income will be received and the amount can be measured reliably and is not deferred.

For legacies, entitlement is taken as the earlier of the date on which either: 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 Trust 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. Where legacies have been notified to the charity, or the charity is aware of the granting of probate, and the criteria for

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2. ACCOUNTING POLICIES - continued

income recognition have not been met, then the legacy is a treated as a contingent asset and disclosed if material.

Gifts in kind are valued at estimated value to the charity. They are included in the charity's financial statements if the estimated value is in excess of £500.

Interest receivable on funds held on deposit is included when receivable and the amount can be measured reliably by the charity; this is normally upon notification of the interest paid or payable by the bank.

Unrestricted charitable donations are recognised in the financial statements when the charitable donation has been received or if before receipt, there is sufficient evidence to provide the necessary certainty that the donation will be received and the value of the incoming resources can be measured with sufficient reliability.

Donated professional services and facilities are recognised as income when the charity has control over the item, any conditions associated with the donated item have been met, the receipt of economic benefit from the use by the charity of the item is probable and that economic benefit can be measured reliably. In accordance with the Charities SORP (FRS 102), the general volunteer time is not recognised. On receipt, donated professional services and facilities are recognised on the basis of the value of the gift to the charity which is the amount the charity would have been willing to pay to obtain services or facilities of equivalent economic benefit on the open market; a corresponding amount is then recognised in expenditure in the period of receipt.

Expenditure

Liabilities are recognised as expenditure as soon as there is a legal or constructive obligation committing the charity to that expenditure, it is probable that a transfer of economic benefits will be required in settlement and the amount of the obligation can be measured reliably. Expenditure is accounted for on an accruals basis and has been classified under headings that aggregate all costs related to the category. Where costs cannot be directly attributed to particular headings they have been allocated to activities on a basis consistent with the use of resources. A further analysis of this expenditure is given in the notes to the financial statements.

- Cost of raising funds comprises fundraising activities and commercial trading, including their associated support costs.
- Expenditure on charitable activities includes the costs of the charity's services undertaken to further the purpose of the charity and their associated support costs.
- Other expenditure represents those items not falling into any other heading.

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2. ACCOUNTING POLICIES - continued

Tangible fixed assets

Tangible fixed assets, are initially measured at historic cost and subsequently carried at cost less accumulated depreciation and any accumulated impairment losses. All costs incurred to bring an asset into its intended working condition are included in the measurement of cost. Assets are capitalised where the purchase price exceeds £2,000. The cost of properties is their purchase price together with the cost of improvement works.

At the reporting date, the Council of Management assess, without actually revaluing those assets, whether there is any indication that an asset may be impaired. An impairment loss is recognised if the recoverable amount of an asset is less than its carrying amount.

Depreciation is provided at rates calculated to write down the cost of each asset to its residual value (its scrap or realistic value at the end of its economic life) on a systematic basis over its useful economic life. The assets' residual values and useful lives are reviewed, and adjusted, if appropriate, at the end of each reporting period. The effect of any change is accounted for prospectively.

The main depreciation rates in use are as follows:

- Land - 0% assumed to have an unlimited useful life
- Freehold property - 2% on cost
- Fixtures and fittings - 25% reducing balance
- Motor vehicles - 25% reducing balance

Freehold properties acquired prior to 1 April 1996 are not depreciated as the historical cost between land and buildings cannot be reliably segregated. The Council of Management are satisfied, as the freehold properties are maintained to a good standard, that the aggregate value of the freehold properties at the reporting date is not less than the aggregate amount at which they are stated in the charity's financial statements. The freehold properties are accordingly stated in the financial statements on the basis that the residual value is greater than the asset's carrying amount and the depreciation charge is zero until its residual value subsequently decreases to an amount below the carrying amount.

Cash and cash equivalents

Cash and cash equivalents include cash in hand, deposits held at call with banks, other short-term liquid investments with original maturities of three months or less, and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities.

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2. ACCOUNTING POLICIES - continued

Taxation

The charity is an institution which is established for charitable purposes within the meaning of the Charities Act 2011 and as such is a charity within the meaning of Para 1 of Schedule 6 to the Finance Act 2010. Accordingly, the charity is potentially exempt from taxation in respect of income or capital gains received within categories covered by Sections 478-488 of the Corporation Tax Act 2010 (formerly enacted in Section 505 of the Income and Corporation Taxes Act 1988) or Section 256 of the Taxation of Chargeable Gains Act 1992 to the extent that such income or gains are applied to exclusively charitable purposes. The charity receives no similar exemption in respect of Value Added Tax.

The charity is exempt from corporation tax on its charitable activities.

The charity is not registered for VAT, as the Council of Management consider the charity's incoming resources are exempt from VAT. VAT is included within the attributable cost under resources expended.

Pension costs and other post-retirement benefits

The charity made contributions to a defined benefit pension scheme on behalf of its employees up to September 2001. See note 23 for further information regarding this scheme.

The charity operates a defined contribution pension scheme. The assets of the scheme are held separately from those of the charity in an independently administered fund. The pension costs represent contributions payable under the scheme by the charity to the fund. The charity has no liability under the scheme other than for the payment of those contributions.

Contributions outstanding at the balance sheet date amounted to £15,312 (2024 £11,887).

Operating leases

Rentals under operating leases are charged on a straight-line basis over the lease term, even if the payments are not made on such a basis. Benefits received and receivable as an incentive to sign an operating lease are similarly spread on a straight-line basis over the lease term which runs to the date of the first relevant break clause.

Provision

Provision is made for present obligations where it is probable settlement will be required in the future and the amount can be estimated reliably, but the amount or timing is not certain.

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2. ACCOUNTING POLICIES - continued

The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the reporting end date, taking into account the risks and uncertainties surrounding the obligation. Where the effect of the time value of money is material, the amount expected to be required to settle the obligation is recognised at present value. When a provision is measured at present value, the unwinding of the discount is recognised as a finance cost in net income/(expenditure) in the period in which it arises.

Basic financial instruments

Financial assets (including cash and debtors) and financial liabilities are recognised when the charity becomes a party to the contractual provisions of the instrument. Additionally, all financial assets and liabilities are classified according to the substance of the contractual arrangements entered into.

Financial assets and liabilities are initially measured at transaction price (including transaction costs) and are subsequently remeasured where applicable at amortised cost.

Financial assets include cash, trade debtors and other debtors.

Financial liabilities include trade creditors, other creditors and accruals.

Fund accounting

General funds are available to spend on activities that further any of the purposes of the charity.

Designated funds are unrestricted funds of the charity which the Council of Management have decided at their discretion to set aside to use for a specific purpose.

Restricted funds are donations which the donor has specified are to be solely used for particular areas of the charity's work or for specific projects being undertaken by the charity.

Further explanation of the nature and purpose of each fund is included in note 19.

Funds are reviewed annually by the Council of Management and transfers are made between funds in order to meet the strategic objectives of the charity's business plan.

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3. DONATIONS AND LEGACIES

	31.03.25	31.03.24
	£	£
Donations	**55,365**	94,157
Legacies	**1,974**	1,647
	57,339	95,804

4. OTHER TRADING ACTIVITIES

	31.03.25	31.03.24
	£	£
Shop income	**74,421**	79,202
Other fundraising activities	**15,735**	14,109
	90,156	93,311

5. INVESTMENT INCOME

	31.03.25	31.03.24
	£	£
Bank and Building Society interest	**25,054**	33,102

6. INCOME FROM CHARITABLE ACTIVITIES

	31.03.25	31.03.24
	£	£
From public authorities *	**3,207,273**	2,732,104
Grants	**112,111**	47,800
Rental income	**207,657**	194,406
Fees for using facilities and services	**256,400**	180,378
	3,783,441	3,154,688

* Includes income generated by the Fundraising team participating in Hertfordshire County Council tenders.

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7. COSTS OF RAISING FUNDS

Fundraising activities

	31.03.25	31.03.24
	£	£
Raising income	60,116	65,631

Other trading activities

	31.03.25	31.03.24
	£	£
Shop expenditure	56,208	54,371
	56,208	54,371
Aggregate fund raising expenditure	116,324	120,002

8. CHARITABLE ACTIVITIES COSTS

	Direct costs	Support costs	Total 31.03.25	Total 31.03.24
	£	£	£	£
Advice and information	11,238	10,669	21,907	21,364
Community Activities	687,830	166,900	854,730	785,553
Support at Home	2,680,776	193,355	2,874,131	2,488,955
	3,379,844	370,924	3,750,768	3,295,872

9. NET INCOME

Net income is stated after crediting/(charging):

	31.03.25	31.03.24
	£	£
Occupancy lease income	207,657	194,406
Depreciation - owned assets (note 14)	(12,437)	(12,478)
Auditor's remuneration – audit	(10,800)	(10,260)
Auditor's remuneration – non-audit	(3,218)	(1,159)
Occupancy licence/lease costs	(142,577)	(115,627)

10. GAIN ON DISPOSAL OF FIXED ASSETS

No gain/loss on disposals arose in the year ended 31 March 2025.

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11. TRUSTEES' REMUNERATION AND BENEFITS

No trustees' remuneration or other benefits were paid either for the year ended 31 March 2025 or the previous year.

No trustee received payment for professional or other services supplied to the charity. Unrestricted donations totalling £580 (2024: £1,086) were received from trustees in the year.

The trustees were able to use services used generally by beneficiaries and members of the charity.

Trustees' expenses

No trustees' expenses were paid, either for the year ended 31 March 2025 or the previous year.

12. STAFF COSTS

Total staff costs were as follows:

	31.03.25	31.03.24
	£	£
Wages and salaries (including sleep-in costs)	**2,580,708**	2,257,755
Social security costs	**198,053**	165,537
Pension costs (note 17)	**84,629**	57,981
	2,863,390	2,481,273

The average number of employees during the year was as follows:

	31.03.25	31.03.24
Office management	**26**	26
Support workers	**150**	144
	176	170

One employee received emoluments in excess of £80,000 (2024: 1 employee received emoluments in excess of £80,000).

The charity pays contributions into a group scheme with the Pensions Trust. The pension cost for the year was £84,629 (2024: £57,981).

The key management personnel of the charity comprise the Council of Management, the Chief Executive, the Finance Manager, the HR Manager, the Head of Operations Manager and the Fundraising Manager. The total employee benefits, including pension contributions, of the key management personnel of the charity were £258,355 (2024: £246,589).

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13. COMPARATIVES FOR THE STATEMENT OF FINANCIAL ACTIVITIES

FOR THE YEAR ENDED 31 March 2024

	Notes	General funds £	Designated funds £	Restricted funds £	Total funds 31.03.24 £
Donations and legacies	3	45,804	-	50,000	95,804
Charitable activities	6				
From public authorities		2,428,953	-	303,151	2,732,104
Grants		27,204	-	20,596	47,800
Rental income		194,406	-	-	194,406
Fees for using facilities and services		180,378	-	-	180,378
Café income		49,689	-	-	49,689
Other trading activities	4	93,311	-	-	93,311
Investment income	5	33,102	-	-	33,102
Other income		1,971	-	-	1,971
Total		3,054,818	-	373,747	3,428,565
EXPENDITURE					
Cost of Raising funds	7				
Fundraising activities		65,631	-	-	65,631
Other trading activities		54,371	-	-	54,371
Charitable activities	8				
Advice and information		6,468	-	14,896	21,364
Learning and leisure		779,953	-	5,600	785,553
Right support		2,185,673	-	303,282	2,488,955
Total		3,092,096	-	323,778	3,415,874
Net (expenditure) income	9	(37,278)	-	49,969	12,691
Transfers between funds	19	85,320	(49,768)	(35,552)	-
OTHER RECOGNISED GAINS					
Actuarial gains relating to pension scheme deficit	17	(738)	-	-	(738)
Gain on disposal of fixed assets	10	594	-	-	594
Net movement in funds		47,898	(49,768)	14,417	12,547
RECONCILIATION OF FUNDS					
Total funds brought forward	13	482,642	2,246,936	62,086	2,791,664
TOTAL FUNDS CARRIED FORWARD	19	530,540	2,197,168	76,503	2,804,211

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14. TANGIBLE FIXED ASSETS

	Land and buildings £	Fixtures and fittings £	Motor vehicles £	Totals £
COST				
At 1 April 2024	**2,219,822**	**25,105**	**8,505**	**2,253,432**
Addition	**-**	**-**	**-**	**-**
Disposal	**-**	**(2,196)**	**-**	**(2,196)**
At 31 March 2025	**2,219,822**	**22,909**	**8,505**	**2,251,236**
DEPRECIATION				
At 1 April 2024	**29,586**	**25,105**	**8,014**	**62,705**
Charge for year	**12,314**	**-**	**123**	**12,437**
Eliminated on disposal	**-**	**(2,196)**	**-**	**(2,196)**
At 31 March 2025	**41,900**	**22,909**	**8,137**	**72,946**
NET BOOK VALUE				
At 31 March 2025	**2,177,922**	**-**	**368**	**2,178,290**
At 31 March 2024	2,190,236	-	491	2,190,727

Included in cost of land and buildings is freehold property of £1,019,822 (2024: £1,019,822) and land of £1,200,000 (2024:£1,200,000).

15. DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	31.03.25 £	31.03.24 £
Trade debtors	**60,065**	77,718
Other debtors	**-**	6,829
Prepayments and accrued income	**37,436**	23,638
	97,501	108,185

16. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	31.03.25 £	31.03.24 £
Trade creditors	**31,288**	130,090
Other creditors	**22,529**	17,795
Individual service funds	**47,391**	112,002
Accruals	**297,855**	244,687
Deferred income	**60,658**	33,303
	459,721	537,877

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17. PROVISIONS

	31.03.25	31.03.24
	£	£
Pension deficit funding arrangement	19,752	8,924
	19,752	8,924

Pension deficit funding arrangement
Reconciliation of opening and closing provision

	31.03.25	31.03.24
	£	£
Provision at start of period	8,924	19,104
Unwinding of the discount factor (interest expense)	235	731
Deficit reduction payment	(9,098)	(10,918)
Remeasurements - impact of changes in assumptions	125	7
Remeasurements - amendments to the contribution schedule	19,566	-
Provision at end of period	19,752	8,924

Actuarial losses (gains) relating to pension scheme deficit

	31.03.25	31.03.24
	£	£
Unwinding of the discount factor (interest expense)	235	731
Remeasurements - impact of changes in assumptions	125	7
Remeasurements - amendments to the contribution schedule	19,566	-
Actuarial losses relating to pension scheme deficit	19,926	738
Contributions paid (see note below)	84,629	57,981
Costs recognised in staff costs	84,629	57,981

Note
Includes payments in respect of a defined contribution scheme and service contributions (i.e. excluding deficit reduction payments) in respect of a defined benefit scheme which is now treated as a defined contribution scheme.

More details are disclosed in the pensions note 23.

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18. ANALYSIS OF NET ASSETS BETWEEN FUNDS

Current year	General funds	Designated funds	Restricted funds	Total funds 31.03.25
	£	£	£	£
Fixed assets	-	2,178,290	-	2,178,290
Current assets	721,486	402,027	118,059	1,241,572
Current liabilities	(459,721)	-	-	(459,721)
Provision	(19,752)	-	-	(19,752)
	242,013	2,580,317	118,059	2,940,389

Comparative year	General funds	Designated funds	Restricted funds	Total funds 31.03.24
	£	£	£	£
Fixed assets	-	2,190,727	-	2,190,727
Current assets	1,077,341	6,441	76,503	1,160,285
Current liabilities	(537,877)	-	-	(537,877)
Provision	(8,924)	-	-	(8,924)
	530,540	2,197,168	76,503	2,804,211

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19. MOVEMENT IN FUNDS

Current year	At 01.04.24 £	Income £	Expenditure £	Other gains and losses £	Transfers £	At 31.03.25 £
Unrestricted funds						
General funds	530,540	3,711,831	(3,597,283)	(19,926)	(383,149)	242,013
Designated - Repairs and building	75,653	-	-	-	-	75,653
Designated - Charles Hatch Bequest	25,070	-	-	-	(207)	24,863
Designated – Malcolm legacy	30,491	-	-	-	(30,491)	-
Designated - Transport	34,372	-	-	-	-	34,372
Designated - Tangible fixed assets	1,930,740	-	-	-	-	1,930,740
Designated - Pension	100,842	-	-	-	14,264	115,106
Designated – Future staffing costs	-	-	-	-	300,000	300,000
Designated - Garden & landscape	-	-	-	-	99,583	99,583
	2,727,708	3,711,831	(3,597,283)	(19,926)	-	2,822,330
Restricted funds						
Advice	-	6,249	(6,249)	-	-	-
Afterschool Club	-	2,500	(2,500)	-	-	-
Cafe	-	31,812	(31,812)	-	-	-
Hertfordshire Mencaps	1,253	-	(34)	-	-	1,219
Individual Service Funds	-	208,304	(208,304)	-	-	-
Garden and Landscape project	75,250	43,000	(8,910)	-	-	109,340
Building repairs & Maintenance	-	7,500	-	-	-	7,500
User Voice	-	12,000	(12,000)	-	-	-
	76,503	311,365	(269,809)	-	-	118,059
TOTAL FUNDS	2,804,211	4,023,196	(3,867,092)	(19,926)	-	2,940,389

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19. MOVEMENT IN FUNDS - continued

Comparative year	At 01.04.23	Income	Expenditure	Other gains and losses	Transfers	At 31.03.24
	£	£	£	£	£	£
Unrestricted funds						
General funds	482,642	3,054,818	(3,092,096)	(144)	85,320	530,540
Designated - Repairs and building	75,653	-	-	-	-	75,653
Designated - Charles Hatch Bequest	25,070	-	-	-	-	25,070
Designated – Malcolm legacy	30,491	-	-	-	-	30,491
Designated - Transport	34,372	-	-	-	-	34,372
Designated - Tangible fixed assets	1,930,740	-	-	-	-	1,930,740
Designated - Pension	150,610	-	-	-	(49,768)	100,842
	2,729,578	3,054,818	(3,092,096)	(144)	35,552	2,727,708
Restricted funds						
Advice	-	14,896	(14,896)	-	-	-
Afterschool Club	-	3,100	(3,100)	-	-	-
Berrywood	-	100	(100)	-	-	-
Café	-	2,500	(2,500)	-	-	-
Hertfordshire Mencaps	1,284	-	(31)	-	-	1,253
Individual Service Funds	-	303,151	(303,151)	-	-	-
Legacy	25,250	-	-	-	(25,250)	-
Garden and landscape project	-	50,000	-	-	25,250	75,250
Wolfson Foundation	35,552	-	-	-	(35,552)	-
	62,086	373,747	(323,778)	-	(35,552)	76,503
TOTAL FUNDS	2,791,664	3,428,565	(3,415,874)	(144)	-	2,804,211

Unrestricted funds:

General funds are the "free" reserves after allowing for all designated funds.

Designated funds are amounts that have been put aside at the discretion of the Council of Management for specific purposes, as follows:

Repairs and building - funds set aside for the maintenance of and future liabilities arising from the properties owned and managed by the charity.

Charles Hatch Bequest - funds from which, at the discretion of the Council of Management, small grants may be made to people with disabilities who are in urgent need.

Malcolm Legacy - funds which, at the discretion of the Council of Management, will be used for garden works and the play barn.

Transport - funds set aside to replace the charity's vehicles at the end of their useful lives.

Tangible fixed assets - funds set aside to replace the charity's assets at the end of their useful lives.

Pension - funds set aside to cover potential employer debt on withdrawal from pension scheme.

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19. MOVEMENT IN FUNDS – continued

Future staff cost – funds set aside to cover future unexpected staffing costs.

Garden and Landscape – funds set aside to cover costs in relation to landscaping the gardens.

Restricted funds:

The restricted funds of the charity are all income funds. The funds are subject to conditions imposed by the donors and are for the following reasons:

Advice – funds restricted for direct costs of providing advice and information service.

Afterschool club – funds restricted for the direct costs involved with providing after school activities for children and young people.

Berrywood – funds restricted for the direct costs involved in the residential care home.

Café – funds restricted for the setup of the café in the Watford central library.

Hertfordshire Mencaps - partnership grant held for Hertfordshire Mencaps.

Individual Service Funds - funds restricted for the provision of individual personalised services.

Legacy - legacy to be utilised for specific projects.

Garden and Landscape project – funds restricted to build a playbarn.

Building repairs and maintenance – funds restricted to the replacement of flooring at Thorpedale.

User voice – funds restricted to deliver a user voice speaking up project.

Transfers:

During the year the Council of Management decided to set aside £300,000 for future unexpected staffing costs; £99,583 to cover the expected remaining costs of the garden and landscape project at 92a Langley Road; and £14,264 to the pension fund.

20. RELATED PARTY DISCLOSURES

There were no related party transactions for the year ended 31 March 2025 nor for the year ended 31 March 2024.

21. ULTIMATE CONTROLLING PARTY

In the opinion of the trustees the charity does not have an ultimate controlling party. There has been no change between the reporting date and date of approval of the financial statements.

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22. EVENTS AFTER THE REPORTING PERIOD

Events after the reporting date are those events, favourable or unfavourable, that occur between the balance sheet date and the date when the financial statements are authorised. There are no adjusting events after the reporting period which will have a material effect on the financial statements of the charity.

23. PENSIONS

The Pensions Trust - Growth Plan Scheme

Background

The charity participates in the above Scheme. The Scheme is funded and is not-contracted out of the State scheme.

Contributions paid by the charity into the Scheme up to and including September 2001 were converted to defined amounts of pension payable from the National Retirement Date. This scheme is known as Growth Plan Series 3 ("GP3"). From October 2001 contributions from the charity were invested in personal funds which are converted to a pension on retirement, either within the Scheme or by the purchase of an annuity. This scheme is known as Growth Plan Series 4 ("GP4").

GP3 closed to further contributions from 30 September 2013, and during that year the charity consulted with employees and decided to offer GP4 from 1 October 2013 rather than exit the Scheme altogether and closed GP3 to new entrants. GP4 is deemed to be a "qualifying scheme" for the purposes of Auto Enrolment, and is in use by the charity as an Auto-Enrolment vehicle since its staging date of 1 May 2014.

The Pensions Act 2011 changed the definition of Money Purchase schemes, following which GP3 was classified as a defined benefit scheme. As a result, any liabilities within this Scheme must be included in the calculation of any debt on withdrawal.

It is not possible in the normal course of events to identify on a reasonable and consistent basis the share of underlying assets and liabilities belonging to individual participating employers because the Scheme is a multi-employer scheme, where the assets are co-mingled for investment purposes, and benefits are paid out of the Scheme's total assets.

Employer's debt on withdrawal

An employer debt will arise if the Scheme is wound up; a participating employer becomes insolvent; ceases to participate in the Scheme, or ceases to exist.

A debt liability will not crystallise as long as the charity continues to employ an active member of the Scheme. Note that failure to submit the Additional Contributions (see below) may result in the Trustee terminating the employer's participation in the Scheme, resulting in a cessation event. Should the charity withdraw from the Scheme, the actual debt figure would have to be calculated by the Scheme actuary at the date of withdrawal.

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23. PENSIONS - continued

Valuation

The Scheme Trustee commissions an actuarial valuation of the Scheme every three years. The most recent valuation was at 30 September 2023 (previous valuation was at 30 September 2020). The purpose of the actuarial valuation is to determine the funding position of the Scheme by comparing the assets with past service liabilities as at the valuation date. Asset values are calculated by reference to market levels. Accrued past service liabilities are valued by discounting expected future benefit payments using a discount rate calculated by reference to the expected future investment returns.

The valuation at 30 September 2023 was performed by a professionally qualified Actuary using the Projected Unit Method. The market value of the Scheme's assets at the valuation date was £514.9 million (30 September 2020: £800 million) and the Scheme's Technical Provisions (i.e. past service liabilities) were £531 million (30 September 2020: £832 million). The valuation therefore revealed a shortfall of assets compared with the value of liabilities of £16.1 million (30 September 2020: £32 million).

Buy Out Basis of valuation

The buy out (or, solvency) basis is the statutorily prescribed basis for calculating an employer's debt on withdrawal. It is also known as a "Section 75 debt" from that part of the Pensions Act 2004.

The debt for the Scheme as a whole is calculated by comparing the liabilities for the Scheme (calculated on a buy-out basis i.e. the cost of securing benefits by purchasing annuity policies from an insurer, plus an allowance for expenses) with the assets of the scheme. If the liabilities exceed the assets there is a buy-out debt.

Insurance companies tend to price annuities based on conservative assumptions for future investment returns and build in a risk allowance or safety margin to allow for the fact that the benefits are guaranteed. An element of profit is also included in the calculation. As a result, buy-out liabilities of the Scheme are significantly higher than the ongoing liabilities.

The leaving employer's share of the buy-out debt is the proportion of the Scheme's liability attributable to employment with the leaving employer compared to the total amount of the Scheme's liabilities (relating to employment with all the currently participating employers). The leaving employer's debt therefore includes a share of any 'orphan' liabilities in respect of previously participating employers. The amount of the debt therefore depends on many factors including total Scheme liabilities, Scheme investment performance, the liabilities in respect of current and former employees of the employer, financial conditions at the time of the cessation event and the insurance buy-out market. The amounts of debt can therefore be volatile over time.

Pension deficit funding arrangement

The company participates in the scheme, a multi-employer scheme which provides benefits to some 521 non-associated participating employers. The scheme is a defined benefit scheme in the UK. It is not possible for the company to obtain sufficient information to enable it to account for the scheme as a defined benefit scheme. Therefore it accounts for the scheme as a defined contribution scheme.

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23. PENSIONS - continued

Pension deficit funding arrangement - continued

The scheme is subject to the funding legislation outlined in the Pensions Act 2004 which came into force on 30 December 2005. This, together with documents issued by the Pensions Regulator and Technical Actuarial Standards issued by the Financial Reporting Council, set out the framework for funding defined benefit occupational pension schemes in the UK.

The scheme is classified as a 'last-man standing arrangement'. Therefore the company is potentially liable for other participating employers' obligations if those employers are unable to meet their share of the scheme deficit following withdrawal from the scheme. Participating employers are legally required to meet their share of the scheme deficit on an annuity purchase basis on withdrawal from the scheme.

A full actuarial valuation for the scheme was carried out at 30 September 2023. This valuation showed assets of £514.9m, liabilities of £531m and a deficit of £16.1m. To eliminate this funding shortfall, the Trustee has asked the participating employers to pay additional contributions to the scheme as follows:

Deficit contributions

From 1 April 2025 to 31 March 2028:	£2,100,000 per annum (payable monthly)

Unless a concession has been agreed with the Trustee the term to 31 March 2028 applies.

Note that the scheme's previous valuation was carried out with an effective date of 30 September 2020. This valuation showed assets of £800.3m, liabilities of £831.9m and a deficit of £31.6m. To eliminate this funding shortfall, the Trustee asked the participating employers to pay additional contributions to the scheme as follows:

Deficit contributions

From 1 April 2022 to 31 January 2025:	£3,312,000 per annum (payable monthly)

The recovery plan contributions are allocated to each participating employer in line with their estimated share of the Series 1 and Series 2 scheme liabilities.

Where the scheme is in deficit and where the company has agreed to a deficit funding arrangement the company recognises a liability for this obligation. The amount recognised is the net present value of the deficit reduction contributions payable under the agreement that relates to the deficit. The present value is calculated using the discount rate detailed in these disclosures. The unwinding of the discount rate is recognised as a finance cost.

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23. PENSIONS - continued

Assumptions

	31 March 2025	31 March 2024	31 March 2023
	% per annum	% per annum	% per annum
Rate of discount	4.84	5.31	5.52

The discount rates shown above are the equivalent single discount rates which, when used to discount the future recovery plan contributions due, would give the same results as using a full AA corporate bond yield curve to discount the same recovery plan contributions.

The following schedule details the deficit contributions agreed between the company and the scheme at each year end period:

Deficit contribution schedule	31 March 2025	31 March 2024	31 March 2023
	£000s	£000s	£000s
Year 1	7	9	11
Year 2	7	-	9
Year 3	7	-	-

The company must recognise a liability measured as the present value of the contributions payable that arise from the deficit recovery agreement and the resulting expense in the income and expenditure account i.e. the unwinding of the discount rate as a finance cost in the period in which it arises.

It is these contributions that have been used to derive the company's balance sheet liability of £19,752 (2024: £8,924).

24. COMPANY LIMITED BY GUARANTEE

The charitable company is limited by guarantee and has no share capital. Every member of the company undertakes to contribute to the assets of the company in the event of its being wound up, for payments of the debts and liabilities of the company, such amount as may be required, not exceeding £1.

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25. FINANCIAL INSTRUMENTS

The charity has the following financial instruments:

	Notes	31.03.25	31.03.24
		£	£
Financial assets measured at amortised cost			
- Cash and cash equivalents		**1,144,071**	1,052,100
- Trade debtors	15	**60,065**	77,718
- Other debtors	15	**-**	6,829
		1,204,136	1,136,647
Financial liabilities measured at amortised cost			
- Trade creditors	16	**31,288**	130,090
- Other creditors	16	**22,529**	17,795
- Individual service funds	16	**47,391**	112,002
- Accruals	16	**297,855**	244,687
		399,063	504,574

26. RECONCILIATION OF NET INCOME TO NET CASH FLOW FROM OPERATING ACTIVITIES

	31.03.25	31.03.24
	£	£
Net movement in funds for the reporting period (as per the statement of financial activities)	**136,178**	12,547
Adjustments for:		
Depreciation charges	**12,437**	12,478
Interest payable	**-**	11,766
Gain on disposal of fixed assets	**-**	(594)
Actuarial losses relating to pension scheme deficit	**19,926**	738
Interest received	**(25,054)**	(33,102)
(Decrease)/increase in other provisions	**(9,098)**	(10,918)
(Increase)/decrease in debtors	**10,684**	572,933
(Decrease)/increase in creditors	**(78,156)**	(37,715)
Net cash (used in) provided by operating activities	**66,917**	528,133

27. ANALYSIS OF CHANGES IN NET CASH

Current year	At 31.03.24	Cash flows	At 31.03.25
	£	£	£
Cash at bank and in hand	1,052,100	91,971	1,144,071
	1,052,100	91,971	1,144,071

WATFORD AND DISTRICT MENCAP SOCIETY

England & Wales - Charity number 1004431

Accounts

Docusign Envelope ID: F3E6DAEF-79F9-4AD1-9E94-E4D466FBD96F

Enabling people with learning disabilities and their families to make the most of life.

watford mencap

Trustee Report & Financial Statements for the year ended 31st March 2024

Registered Company Number: 02636705 (England and Wales)
A Company limited by Guarantee
Registered Charity Number: 1004431

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WATFORD AND DISTRICT MENCAP SOCIETY

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WATFORD AND DISTRICT MENCAP SOCIETY

REFERENCE AND ADMINISTRATIVE DETAILS

FOR THE YEAR ENDED 31 MARCH 2024

COUNCIL OF MANAGEMENT	Mr R F Jones (Chair) Mrs P Joy (Acting Vice Chair, Treasurer) Mrs N Cowap (appointed 21 October 2023) Mr J Good Mrs L C Green Mrs P Robertson Mr J R Teague
COMPANY SECRETARY	Miss J K Pattinson
REGISTERED OFFICE	92a Langley Road Watford Hertfordshire WD17 4PJ
REGISTERED COMPANY NUMBER	02636705 (England and Wales)
REGISTERED CHARITY NUMBER	1004431
INDEPENDENT AUDITORS	Mercer & Hole LLP Chartered Accountants Trinity Court Church Street Rickmansworth Hertfordshire WD3 1RT
CHIEF EXECUTIVE	Miss J K Pattinson
PRINCIPAL BANKER	NatWest 72 High Street Watford Hertfordshire WD17 2GZ
WEBSITE	www.watfordmencap.org.uk

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The trustees (also known as the Council of Management) who are also directors of the charity for the purposes of the Companies Act 2006, present their report with the financial statements of the charity for the year ended 31 March 2024. The trustees have adopted the provisions of Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their financial statements in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2019).

OBJECTIVES AND ACTIVITIES

Objectives

The charity's objects are set out in the Articles of Association and are:

> The relief of people with a learning disability in particular by the provision of help and support for them and their families, dependants and carers and to prevent or alleviate learning disabilities for the public benefit by education, research and life-enhancing medical intervention.
>
> The provision or assistance in the provision of facilities for the recreation or other leisure time occupation for people who have need thereof by reason of learning disability with the object of improving their conditions of life.

"Learning disability" means any developmental disability of the mind and any associated condition howsoever caused and whether mild, moderate or severe.

The charity aims to achieve its objects by seeking to provide user-led and person-centred services which enable people with a learning disability to make the most of life. Services are constantly under review in the light of user needs, government policy, funding availability, and changing needs and practices. Watford Mencap seeks to work with other voluntary and statutory organisations to promote the welfare of people with a learning disability.

Our Values

We are INCLUSIVE People with learning disabilities are at the heart of everything that we do.

We are RESPECTFUL We work in a person-centred way, whilst listening to the views of all.

We are WELCOMING We are approachable and value all.

We are PROGRESSIVE We promote learning to support everyone to achieve their potential.

We are CHALLENGING Through our work we will push the boundaries for individuals, organisations and society.

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OBJECTIVES AND ACTIVITIES - Continued

Our Mission

Enabling people with learning disabilities and their families to make the most of life.

To help make this happen we will

- Support people to enjoy choice and control over their own lives, to enable them to work towards fulfilling their life ambitions and to achieve their potential
- Provide a range of high quality, individually tailored services that focus on the individual and their family
- Support people to obtain their rights and to understand their responsibilities as members of society
- Recognise that people have skills, abilities and expertise and use these to inform our growth and progress
- Campaign to ensure the rights of people with a learning disability and their families are respected and to ensure that they have access to the services they need and to challenge discrimination
- Involve and include learning disabled people in evaluation and decision making at all levels within Watford Mencap

Activities

All of the charity's activities focus on the objects set out in the Articles of Association noted on page 2. It is the charity's aim to be the first port of call in South West Herts for all people with a learning disability, their families and carers. Support may be given in partnership with other relevant organisations. There are no restrictions on access to services other than the charity's capacity and capability to provide the support required to live a fulfilling life.

A life-long journey supported by Watford Mencap every step of the way

People with learning disability are one of the least understood, least visible and most vulnerable sections of our society. They are also a sizeable group.

The Improving Health and Lives (IHAL) profiles produced by the North East Public Health Observatory estimates that approximately 2.5% of the total population have some form of learning disability, which equates to an estimated 1.5 million people in the United Kingdom with a learning disability. This population is predominantly (60%) male and unknown to services; of the estimated 1.2 million adults with a learning disability in England, only 189,000 (21%) are known to local authority or health services. Around 24% of the estimated population with learning disabilities are believed to be children and 76% are believed to be adults. (IHAL, 2011).

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OBJECTIVES AND ACTIVITIES - Continued

The Summary Needs Assessment: Fulfilling Lives for People with Learning Disabilities estimates there may be 5,500 children with learning disabilities in Hertfordshire and Projecting Adult Needs and Service Information 2015 states there are 21,109 people over 18 with a learning disability in the county. This is 1.76% of the total adult population. As of December 2020, Hertfordshire County Council (HCC) adult social care were supporting 4,600 adults with learning disabilities. Public Health England 2016 states there were 22.4 per 1,000 children with a learning disability known to schools in Herts and that 2.5% of children in England have a learning disability. The Herts Learning Disability Joint Commissioning Strategy 2019-24 states only 3,000 adults with learning disabilities were receiving help from local social care services and that local doctors only have 5,000 people on their register of people with learning disabilities in Hertfordshire.

The number of people over 18 with a learning disability is predicted to increase by 9% by 2025 and the largest projected growth area over the next 10 years is in the 75-84 and 85+ age range with projected increases of 32% and 47% respectively. It was recognised very early on in the pandemic that people with learning disabilities were extremely vulnerable to Covid19 so extra caution would be required. In seeking to serve this section of society Watford Mencap has developed a wide range of services.

The pandemic meant that needs have changed and services have had to constantly evaluate not just what is needed but also what can be safely provided. Services continued to run throughout the pandemic, with large group activities restarting again in April 2022, with infection control measures and some testing still in place throughout 2023/24.

Watford Mencap's services can be purchased privately by self-funders, people with individual budgets and direct payments as well as through Herts County Council (HCC) commissioned services. More people are now wanting help from Council and Health services and this throws up an increasing challenge for Watford Mencap as Councils and Health have less money to spend.

Community Activities

This range of services are offered within the community and have a focus on connecting with others whilst meeting individuals' needs. The aim is to provide attractive and fun activities which promote well-being and independence. Activities are available across all age ranges and are based on feedback from people who use the services. Many charge fees that are affordable to people from their weekly income, although help with fees may be sought for those in crisis. These activities are funded largely by grant or fundraising income but may also be subsidised by reserves during start-up, funding gaps or when broadening access for hard-to-reach groups. These services can also be commissioned or paid for privately. During the year many of these services managed to return to their pre-pandemic levels with some expanding to help people who had been isolated to reconnect.

The following activities are offered:

Advice and Information

Initial and ongoing contact through the Advice and Information Service is free to all and funded through fundraising, grants, and reserves if necessary. This service provides information, supports people, and facilitates their efforts to plan their lives and access services. No distinction is made between those who might wish to access services provided by the charity and those for whom another service provider or organisation might be

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OBJECTIVES AND ACTIVITIES - Continued

more appropriate - the interests of the individual are paramount. The service continued to hold a weekly open house at the Community Hub inviting people to come and reconnect with their local community as well as Watford Mencap. This has now grown to between 40 and 50 people attending each week.

The information gathered also supports Watford Mencap's campaigning work to highlight unmet needs to local authorities through the co-production groups. Unfortunately, the adviser left in January 2023 which temporarily reduced the support available, but the service still supported 106 individual people with 102 queries resulting in 2,638 contacts.

Children

The Short Break Contract from HCC continued to enable a range of leisure activities to be delivered, including weekend sessions and holiday activity schemes. All referrals for these services must come through the HCC Short Breaks process. Fundraising supports evening sessions which runs 3 evenings a week. The service worked in partnership with Home Start to trial a group for under 5s which supported families with a stay and play session. The main services continued to grow in the community hub with additional sessions offered. 91 children accessed these activities across the year, attending a total of 1,539 sessions.

Young People

This contract also includes young people and enabled a range of leisure activities including a weekly youth club, weekend sessions and holiday activity schemes for those at both school and college. Young People must come through the HCC Short Breaks Contract process which affects our ability to offer services to some people. Fundraising supports evening activities focusing on life skills such as cooking and shopping. These services were also able to grow as Covid restrictions were lifted. Like those for children, evening weekend activities continued alongside the weekly youth club. Holiday activity schemes were also available for those at school and college. 45 young people accessed these activities across the year, attending a total of 1,242 sessions.

Adults

Adults Day Opportunities – This service continued to develop and expand during the year, offering support to a range of individuals who often need 1:1 support. Those accessing the service receive tailored support, enabling them to choose individual activities in their local community including trips to the theatre, pub lunches and performing doughnuts in a high-speed car. Over the year the team provided over 11,644 hours of support to a total of 29 people.

Employability – The Café in the Library and training kitchen offer learning opportunities for people with learning disabilities to gain skills in all areas of the business including customer service, handling money and food hygiene. The way of life has changed in the local community, meaning the team are still learning people's new preferences but sales increased. New clients are also starting to attend.

During the year 14 people accessed these services attending 277 sessions.

The charity also provides volunteering opportunities for people with learning disabilities to gain retail, administration, and customer care skills. The shop and other trading initiatives provide opportunities to many volunteers, some of whom have a learning disability.

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OBJECTIVES AND ACTIVITIES - Continued

Leisure Activities –

The monthly Nightclub continued at POPWORLD and grew in popularity now running 12 times a year. The Social Hub group on a Tuesday evening for those living in the community also continued. In total 233 people accessed these activities across the year, attending a total of 1,448 sessions.

Having your Say – Watford and Three Rivers Learning Disability Local Area Forum is hosted and facilitated by the charity. The Forum focused on local and national topics linking with the local authority to raise issues.

Watford Mencap has a service user and carer base of over 1,450 people with learning disabilities and their carers for its various services. The charity aims to raise awareness of learning disability among the wider population, and of the existence of the charity and the services it provides to those with learning disabilities, their families and carers, as well as other relevant professionals. The charity aims to act as a central point of contact in relation to learning disability in South West Herts, providing information, contacts, advice and, where relevant and possible, services, to all who need them.

Services at Home

This range of services are offered in people's homes supporting them in their daily lives to gain independence and to promote choice and control.

1:1 Support in your own Home

The Care and Support Agency provides individualised and person-centred support for people with learning disabilities within the local community. People can be supported with a range of everyday activities, some practical, others more focused on social skills and learning. All work is focused on enablement and helping people to maximise their independence. Recruiting staff was a challenge but we recruited a new Service Manager which has supported this work. The team provided over 6,295 hours of support to a total of 44 people with learning disabilities.

24-Hour support in your own Home

The Supported Living team supports 10 people living in 4 different properties across South West Herts. Funding for individuals is from various sources including Individual Service Funds and commissioned hours from HCC's Supported Living Framework. During the year the individuals embraced getting out into the community and the teams provided 28,177 hours of support.

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OBJECTIVES AND ACTIVITIES - Continued

17 people are supported in 3 registered care homes run by Watford Mencap. Many people have lived in their home for many years and receive support in all aspects of their life. Sadly, several of those individuals passed away this year but the teams were proud to support them until the end. This has meant that we have welcomed several new people to the projects. Some residents' needs have continued to increase, with teams adapting their practices and the environment, to support them. Recruiting new workers improved with the increase in wages but we continue to require Agency staff to support the teams who provided 58,002 hours of support.

Public benefit

In planning and reviewing the above activities, the Council of Management have given careful consideration as to whether they have complied with the duty in section 17 of the Charities Act 2011 to have due regard to the public benefit guidance published by the Charity Commission.

The members, staff and volunteers of Watford Mencap strongly believe in the importance and worth of every individual in our society. The aim inherent in all of the charity's activities is to enable and facilitate the ability of people with a learning disability to make the choices that most of us take for granted. By making a contribution to this aim, the charity provides a public benefit of not only alleviating the potential distress and waste of individuals frustrated by the inability to lead a fulfilling life and the associated impact on their families and carers, but also, in some small way, to make society more tolerant, compassionate and inclusive.

Staff and volunteers

Watford Mencap benefits greatly from the commitment of its 171 paid staff. It also benefits from the support of a number of volunteers in the office, trading and fundraising activities, leisure services and community hub. The contribution of the 36 regular helpers and volunteers who worked with the charity over the year is estimated to be approximately 5,843 hours (representing the equivalent of approximately 3 full-time staff) and their contribution is gratefully acknowledged. Throughout the pandemic and beyond we have continued to be supported by a wide range of helpers who donate regular time to help in the garden, at fundraising events and to support our projects. We estimate this additional help from our helpers and supporters to be 1,196 hours, the approximate equivalent of another 0.6 members of staff. We are truly thankful for this and would not have been able to sustain our projects without this very generous support.

Lower than normal social care sector turnover of front-line staff and a consistent senior management team continue to be a significant achievement for the charity, however the last couple of years has seen a much greater turnover of staff than usual for the organisation and a greater reliance of agency staffing to ensure we can meet minimum staffing levels in our residential projects. The national social care recruitment and retention crisis is a very significant challenge in South West Herts. It is very important to the people and families that the charity supports to know and trust the staff and volunteers. A dedicated team of casual workers work alongside contracted staff, volunteers and regular agency workers to help the charity achieve this consistency of support.

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REVIEW OF THE PAST YEAR

2023-24 was a year of great change for Watford Mencap. Following a number of years of management stability during and shortly after Covid, we then experienced a sudden turnover as several managers retired or moved on after many years working for the charity. It was a difficult time and losing such knowledge and experience had an impact on both the volume and quality of service delivery, it was also challenging to then recruit and embed new managers whilst having to manage shortfalls in the front line, created by the ongoing social care recruitment crisis, which was made even more difficult due to the historical HCC underfunding of our residential care.

However, in March 2023 we received a substantial payment from the HCC sustainability fund to cover 3 years backdated fees in 2 of our residential care homes, along with new weekly fees for Hillside and also in September 2023 for Thorpedale. We also made several significant management appointments during the early spring and by summer, this along with our January 2023 uplift in frontline worker salaries led to a drop in our vacancy rate from 38% down to 10%. This eased things considerably, stopping many managers from working down to cover shifts, reducing the reliance on agency staff and ensuring greater consistency for the people we support. Thankfully by May 2024 our staff vacancy rate is now down to 6%. Our investment in recruitment and retention was a real success, however we continue to face the challenge of inducting and retaining quality staff. It is important that we remain in the top salary quartile of local social care salaries going forward. Initiatives like the introduction of Care Friends, People's choice staff recognition awards and refer a friend have all been very successful. Our staff forum continues to thrive, meeting every 3 months to discuss issues and to vote for People's Choice winners from staff nominations.

Working with the staff forum, Herts Care Providers Association and the people we support, we revisited our values and developed a new behaviours framework during the year, ready to be embedded into induction and performance management systems.

Our significant investment in staff development was acknowledged by Investors in People in January 2024, with our 3-yearly assessment. All staff completed a questionnaire and 20 staff were interviewed over 3 days. We were rated a strong silver with elements of gold and platinum, becoming one of the top 20 Investors in People Silver companies in the 50-249 employee's category for 2024. A celebration lunch was attended by over 70 staff and volunteers in March to thank all for their ongoing efforts. Much work was completed during the year, developing systems and procedures to support our new Click eLearning package and on measuring and recording staff competencies. Greater training compliance was achieved and this new knowledge and skills enabled many workers to maximise their salary moving from the £11.50 to £12 hourly rate of pay.

Following a trustee skills audit, we commissioned an agency to help us recruit new trustees to increase diversity, as well as attracting trustees with social care, IT management and fundraising skills. Managers and staff were all involved in the recruitment process and we were delighted that Nicola Cowap, a parent and retired GP became a trustee at our October AGM and Tim Morrison IT manager and Neda Mazraeh Commissioning Manager, became co-opted advisors in November 2023. This has strengthened both our board and sub committees. Our new venue and Saturday afternoon AGM timing was a great success with over 150 people enjoying a Halloween party. We held our usual senior management team business planning day in November supported by Jon Ralphs, a graphic facilitator, and a trustee and Senior management team strategy day in December 2023 generously facilitated by Katie Thorpe.

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REVIEW OF THE PAST YEAR – Continued

Very sadly we lost several residents during the last year and this resulted in a number of voids in our residential care homes, especially at Thorpedale. Following the Thorpedale fee uplift secured from HCC, we took the opportunity to complete an extensive refurbishment upgrading a bathroom, toilet, sleep in room and office along with swapping over the current kitchen into the space of a previous large double bedroom. This investment has helped to future proof the home, attracting new residents and creating more accessible living space.

With a vacancy in fundraising and the publication of HCC's Short Breaks local offer and the HCC supported living tender during the year, we used 2 freelance bid writers to strengthen the fundraising team. In May 2024, we were then awarded over £230k of children's services work for 2024-25 from HCC and in October 2024 we should hear the outcome of our HCC supported living tender. Both tenders were substantial pieces of work, which should enable these services to be sustainable for the next 3-5 years. We also submitted a stage 1 Building Communities lottery application which included funding for a communications post, advice worker, volunteer coordinator plus hub health and wellbeing activity worker. If successful this will enable us to build on our current community hub activities, enabling us to support more people with a greater variety of activities on offer. We were also successful in our application to Herts Community Foundation gaining funds to strengthen our User Voice activities over the next 6 months. Our advice service contract was extended for a further 12 months by HCC and we wait for further news re ongoing funding. The fundraising team introduced a number of new events during the year including a Makers market, quiz night and Carol concert, as well as maintaining the successful Watford 10k run and Santa Dash, both sponsored by Warner Bros. Studios Leavesden.

With Nilesh Vadhwana, our Community Operations manager in post in July 2023 it enabled us to move forward with our community services and to pick up our Doing It Together project again. We completed an annual survey of feedback from people who use our services and their families and have developed continuous service improvement plans to ensure we report back regularly on the action we are taking to make positive changes. We also worked on our suggestion box, set up 2 promotional tv's in 92a and gathered regular coffee morning feedback on changes to implement along with ideas and information to share. We continue to rent out space to local community groups by the hour in the hub and our weekly Friday coffee morning goes from strength to strength with 35 plus people often attending each week. Playskill gave notice on their 2nd floor office space and moved out in November 2023.

We waited for CQC to revisit Hillside for a full inspection following the September 2022 inadequate rating. They came in March 2023 to do a visit and were pleased with progress made, but as it was only a partial inspection they could not re-rate the service. They then came back for a full inspection in May 2024 and we await the outcome of this inspection, the first we have received following the new CQC rating methodology. Families and residents were all given appropriate opportunities by the CQC inspector to give feedback on this visit. Our day opportunities service, Thorpedale and Hillside homes and children's services all received a good rating from their HCC inspections. We have worked hard on our quality systems over the past year revising our health and safety recording and strengthening our monthly project audits. Ruth Murray our Head of Operations and health and safety lead completed her IOSH health and safety training in October 2023.

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REVIEW OF THE PAST YEAR – Continued

The Bushey shop lease expired in September 2023 and we are now holding over on our protected lease whilst rent negotiations continue with our landlord. We are very thankful for Adrian Thompson's property expertise and guidance and hope to settle on a fair rent soon for a possible 15- year term, with suitable break clauses. We strengthened the Bushey shop team during the year employing a new casual worker and more volunteers to enable the shop to increase from 5 to 6 day opening, with very positive results.

Two of our 4 cars were scrapped during the year, coming to end of life and not likely to pass MOT. We have submitted a grant application to West Herts Community Transport and have received positive feedback, its likely they may donate an accessible vehicle in their next round of funding. We plan to carry out a review of our transport needs during the next year as many frontline staff who now work for us in the residential care homes are sadly not drivers.

Following the release of funds from a 2-year fixed account with Close Brothers in October 2023, we were in a satisfactory financial position and able to pay off the outstanding loan with Charity Bank on 92a Langley Road. This was a significant achievement.

In April 2024, a planning application was approved by Watford Council for the sensory garden, allotment and play barn, we have a further £81,000 to raise to support the project but hope to commence works during 2024/5. The project is being managed for us by the charity Groundworks Hertfordshire and we are grateful to all donors. TX Maxx, Warner Bros. and Watford Council have given significant donations to support the project. We have also been very fortunate to be gifted a sanctuary garden from Hampton Court Flower Show from Tim Jennings and the RHS, which will arrive at 92a Langley Road in July 2024. The planning of and raising funds for the front entrance at 92a Langley Road will be carried forward to 2024/25.

Work continued to try and reduce the deficit on the Café in the library, and we have engaged the Cranfield Trust to help find a skilled volunteer to help us review the current service. We will be advertising for a new café manager shortly and have developed an action plan for change. Some progress has been made filling trainee slots and takings year to date are in line with budget. This project and the Care and Support agency (CSA) produced the most significant project deficits over the past year. For the CSA this was down to commissioned hours not being filled due to staff shortages from our recruitment challenges and for the café this was a mixture of vacant trainee slots and footfall. Recovery plans for both projects are ongoing and will be carried forward to 2024/25.

It was a challenging but successful year, ending the year with greater stability, improvements in quality, some exciting new projects on the horizon and a small operating surplus.

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FUNDRAISING ACTIVITIES

Watford Mencap is an independent local charity that is responsible for raising all its own funding to support local people with learning disabilities. Although affiliated to the national Royal Mencap charity, it receives no funding from them other than grants they distribute on behalf of other funders.

The charity's small team manages a portfolio of activities that generate income to fund the projects we believe are of value to our clients, but which do not attract local authority funding. By engaging in a variety of fundraising methods we believe that we are reducing our risk and ensuring we do not become over-reliant on a single source of income generation.

Our biggest fundraising source remains grants and trusts and we are grateful for the support of Watford Borough Council, Watford & Three Rivers Trust, Hertfordshire County Council and Hertfordshire Community Foundation for their ongoing support.

The Watford 10k and Santa Dash continue to welcome the community at our face-to-face events and we are grateful to Warner Bros. for their continued support in sponsoring these events. The volunteers who support these two events are invaluable and help make the runs accessible and inclusive to all. Both events enjoyed the support of local dignitaries Watford Mayor Peter Taylor and Dean Russell MP.

In addition, we held several smaller community events such as the Rickmansworth Pancake Race, a Coronation Party and a Quiz Night. We introduced a Makers market and a Carol Concert, both of which attracted new corporate sponsors as well as guests who had not previously engaged with Watford Mencap. The fundraising team have a programme of events planned for the coming months and hope to build on the positive networks and community support that have been built since the move to 92a.

We were once again a beneficiary charity of Atria Shopping Centre's Give A Gift appeal. Community groups such as Bushey & Oxhey Round Table and Shrimad Rajchandra Mission Dharampur (UK) have donated time and gifts.

The Watford Mencap lottery has completed its first year and has proved a steady income that has potential for growth. We also joined the Watford Community Lottery which has a wider reach for potential supporters.

We really treasure our strong relationship with several local businesses such as Warner Bros., TK Maxx and Homesense Foundation, Marshall Vizard and Veale Wasbrough Vizards who provide us with financial, technical and practical support.

We are also grateful to individual members of the local community that support us. Many make regular donations to us but prefer to remain anonymous.

Our profile within the Watford community has risen since the move to 92a Langley Road. As a consequence, we have been grateful to receive donations from local churches, community groups and neighbours.

We spent time this year to update our online presence, both as a fundraising tool as well as marketing our services and job opportunities. Engagement with our social media posts is increasing and we will use that momentum as part of our improved communication with supporters.

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FUNDRAISING ACTIVITIES – Continued

Our Bushey charity shop continues to be a thriving community asset that attracts quality donations resulting in vital income for the charity. The staff and volunteers are dedicated to maximising income and being the face of the charity to customers from the local area. We appointed a casual shop worker in July 2023 which enables the shop to be open 6 days per week. Early signs are positive that this is a good investment that will increase income that can support our activities.

We take great care to ensure that all our fundraising activities comply with the Fundraising Regulator's voluntary regulation scheme. The activities of our fundraising team are monitored by the fundraising manager and the chief executive. The team also works closely with supporters who wish to raise funds for the charity, providing support and guidance to ensure that events held in aid of our charity meet the requirements of the scheme. We seek to work in partnership with our supporters and to develop a long-term relationship with them. To this end, we consciously avoid exerting undue pressure on potential donors and do not participate in direct mailing or telephone solicitations. The fundraising team actively seeks feedback on its activities, both positive and negative, in order to keep improving our performance. We have a procedure to investigate any formal complaints received, and, once again, we received no complaints about our fundraising activities.

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FINANCIAL REVIEW

Financial position

The charity ended the year with an overall surplus of £12,547.

The charity aims to achieve an operating surplus each year. Building and maintaining an adequate level of reserves and ensuring financial stability is a key objective for its management team and they have been very successful in doing so.

In 2021-22 the charity suffered an operating loss due to the costs incurred during the pandemic and increasing costs in residential care which were not covered by a commensurate increase in the funding available from HCC.

The return to operating surplus in 2022-23 and 2023-24 was due entirely to HCC's recognition that the fees being paid in some of the residential homes were such as to render those homes financially unsustainable in the long run. The money provided by HCC from its sustainability funds and a later fee uplift for our Hillside and Thorpedale residential care homes to compensate for historical underfunding was extremely welcome. Looking forward, we are optimistic that the new, more realistic, bed prices will enable Watford Mencap to provide high-quality residential care services for the foreseeable future.

It remains the case, however, that providing a good level of care requires committed, well-paid staff and the entire sector remains vulnerable as a result of central government failure to tackle the issue of social care and its funding. A number of residential care homes in Hertfordshire have closed in recent years as a result. After the election held in July 2024, we hope that the incoming government will address this as a matter of urgency and provide the sector with some long-term stability.

Further detail is provided in the notes to the financial statements and the reserves section regarding the restricted funds (funds legally restricted to specific projects); general funds (unrestricted); and designated funds (set aside by the Society for specific purposes).

Voluntary/other income covers all non-statutory sources of income, primarily fundraising, grants, legacies, donations, fees, rent, charity shop and trading. These sources of income accounted for 20% (2022/23: 20%) of the charity's total income during the period.

The Individual Service Funds are received by the charity on behalf of the fund-holder and expended on services of the fund-holder's choice, be they Watford Mencap services or provided by some other organisation or individual. These funds do not impact the charity's year end results or the level of reserves.

The financial outlook remains challenging at the operating level with the need to complete the garden works at 92a Langley Road, potential voids in care homes, staffing challenges and the ongoing pressure on statutory funding sources expected to continue for several years. HCC remains the primary source of contract income in the year accounting for 80% (2022/23: 80%) of the charity's total income during the period.

The charity continues to seek other sources of income, particularly through diversifying fundraising activity and expansion to the fundraising team in June 2024, as well as continuing to develop structures and systems in order to be as cost efficient as possible.

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FINANCIAL REVIEW – Continued

As noted above, the market in which the charity operates is becoming increasingly challenging. In the face of the national and ongoing social care recruitment and retention challenge, the Society has agreed a budget for 2024-25 with a small operating surplus. This will be highly dependent on only having small numbers of voids, which are filled quickly in our residential care homes. We currently see no need to review service provision at present. While the financial position is satisfactory, planning for future years with ongoing pressures to statutory funding is extremely difficult.

Investment policy and objectives

Aside from retaining a prudent amount in reserves each year, most of the charity's income is spent on the provision of services. Cash balances are held in bank current or deposit accounts or put on fixed term deposit. Investment income was £33,102 compared with £8,985 in 2022/23, as a result of maturity of the 2 year Close Brothers account and generally higher interest rates.

The Investment policy is for long-term reserves to be deposited or invested to grow at least in line with inflation, at low risk to capital. The remainder of reserves have an investment objective of preserving the capital value with a minimum level of risk.

Reserves policy

The Society had reserves of £2,804,211 at 31 March 2024 of which £76,503 was restricted, £2,197,168 was designated (which includes fixed assets) and £530,540 represented the unrestricted general funds.

The charity's Council of Management consider that it should hold reserves to cover the cost of re-housing clients in the event that no further income is provided to Watford Mencap for housing services. In order to be able to realise the value of the freehold properties, it would be necessary to re-furbish and/or remodel the existing accommodation. There would be redundancy and related staff costs if the charity were to close these services, as well as exit costs relating to termination of services, property leases, dilapidations, etc.

Taken together, these costs are estimated to be equivalent to 6 months' operational expenditure.

Budgeted expenditure for 2024-5 is £3.9m and on this basis, the unrestricted reserves should therefore be £1.95m which is comfortably covered by the actual figure of £2,727,708.

Auditor

In accordance with the company's Articles, a resolution proposing that Mercer & Hole LLP be reappointed as auditor of the company will be put at a General Meeting.

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FUTURE PLANS

In preparing the plans for 2024/25, a number of factors were considered:

- The current policy and regulatory environment concerning social care and learning disability
- The demographic outlook and changing needs of the local population
- The impact of the external environment on Watford Mencap
- The need to roll forward the objectives from previous years which were not achieved but remain relevant
- The actions identified as priorities by the risk management process
- The actions required to sustain and improve individual services

We completed our usual face to face trustee and senior management team strategy and business planning days facilitated by Katie Thorpe, an external facilitator and Jon Ralphs a graphic facilitator. We also considered a range of current stakeholder feedback, feedback from our regular coffee mornings, staff forum and management team. This resulted in the setting of priority areas of work for the 2024-25 Business Plan.

Our vision for the next year

Doing It Together - People with learning disabilities will be at the heart of everything thing we do

- **Living our values**

We will remain a strong and vibrant charity, living our values, involving people with learning disabilities, so we continue to provide high quality support to people with learning disabilities and their carers.

- **Serving our community**

Our work is primarily based in Watford, Three Rivers and Hertsmere. We are open to opportunities beyond this area through new partnerships, where these are beneficial to the aims of Watford Mencap and the people we support – or there is evidenced need and available funding.

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FUTURE PLANS – Continued

- **Being person centred**

We offer a range of services and support options from cradle to grave with an emphasis on enhancing people's skills and ability to take personal responsibility. We want to ensure people are active, valued members of society who are supported by a range of services within their local community.

- **Targeting our influence**

We proactively seek opportunities to develop new services, funding, and new ways of influencing/ campaigning for people with learning disabilities.

- **Evolving our services**

Our services will continue to evolve to enable them to meet the needs of an increasing population with more complex and higher needs.

- **Valuing our people**

We will develop and support our skilled and committed workforce to be customer focused, flexible, proactive, and responsive to people's needs.

Volunteers are an integral part of our workforce.

- **Building the infrastructure**

Our developing service delivery will be supported and sustained by a responsive, flexible, and resilient infrastructure.

- **Securing funding**

Our Commissioned Services will be self-funding and open to possibilities of new opportunities. A robust and responsive fundraising and income generation strategy will generate income to support the expansion of our advice and information and learning and leisure non-commissioned services.

Practically this sits as 5 key areas of focus on our 2024/25 business plan

- Improving communications – website, marketing and recruiting to a new communications role
- Valuing and supporting our staff and volunteers - recruitment and retention
- Enhancing our systems – IT support provider, payroll provider and recording outcomes and impact
- Evolving our services – full occupancy, quality, transport review, café review and garden project at Langley Road
- Improved funding and finance – expanding fundraising team, extending shop lease, fee and funding negotiations with HCC

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STRUCTURE, GOVERNANCE AND MANAGEMENT

Governing document

Established in the 1950s, the organisation is a charitable company limited by guarantee, incorporated on 9 August 1991 and originally registered as a charity on 15 October 1991. The company was established under a Memorandum of Association, which sets out the object and powers of the charitable company and is governed under its Articles of Association. In the event of the company being wound up, members are required to contribute an amount not exceeding £1. There were 57 members as at 1 April 2024.

Recruitment and appointment of trustees (Council of Management)

The directors of the company are also charity trustees for the purposes of charity law and under the company's Articles are known as members of the Council of Management. Under the requirements of the Memorandum and Articles of Association, the members of the Council of Management are elected to serve for a period of three years, after which they must be re-elected at the next Annual General Meeting.

A full list of members of the Council of Management who served during the year and up to the date of this report is set out on page 1. Mindful of the focus of the charity's work on the needs of those with learning disabilities and their families, the Council of Management seeks to ensure that user and carer views are represented alongside wider business and organisational skills on the Council of Management.

Organisational structure

The Council of Management consists of up to 12 members who meet quarterly and are who are responsible for the strategic direction of the charity. At 1 April 2024, the Council of Management had 7 full members and 2 co-opted advisors - drawn from a variety of backgrounds relevant to the work of the charity - including family carers.

Day to day responsibility for provision of the services is delegated to the Chief Executive who leads the Senior Management Team. This team is responsible for ensuring that the charity delivers the business plan and that key performance indicators are met.

A new Operations subcommittee which was formed in February 2023 has given senior managers and trustees more time to explore operational issues and developments.

Monitoring of operational performance is undertaken by the Finance and Audit Committee and Operations Committee as well as the Council of Management. Our Doing It Together sub group also met regularly through the year.

Induction and training of trustees (Council of Management)

A trustee induction pack and programme are in place to ensure that all new trustees and co-opted advisors are made aware of their roles and responsibilities. This includes helping them understand their role and duties; providing copies of relevant documentation such as the Memorandum and Articles of Association, Business and Operational Plans, and accounts; and visiting sites and services, including meeting all senior managers, and ensuring compliance with the 2017 Code of Governance.

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STRUCTURE, GOVERNANCE AND MANAGEMENT - Continued

Royal Mencap

Watford Mencap is an independent charity, affiliated to the umbrella organisation Royal Mencap. Watford Mencap pays an annual affiliation fee for the right to use the Mencap name and must also comply with the requirements of the Royal Mencap Partnership Agreement which sets out minimum standards in terms of policies and procedures for organisations using the Mencap name.

There is no financial support from the national organisation, but it does have the power, under the Articles of Association, to dismiss trustees who bring the Mencap name into disrepute.

Risk management

The Council of Management regularly reviews the major risks to which the charity is exposed. A risk register outlines these risks, and the systems, procedures or actions to be taken in mitigation. The register is regularly updated, is reviewed quarterly by the Finance and Audit Committee and Council of Management and is included in the annual Business Plan.

External risks to funding are constantly monitored and alternative income sources sought. Regulatory and legal requirements are implemented and monitored to ensure the delivery of consistently high-quality services. Internal control risks are minimised by strict authorisation and monitoring procedures.

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STATEMENT OF TRUSTEES RESPONSIBILITIES

The trustees (who are also the directors of Watford and District Mencap Society for the purposes of company law) are responsible for preparing the Report of the Trustees 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. Under company law the trustees must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the charitable company and of the incoming resources and application of resources, including the income and expenditure, of the charitable company 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 Charity SORP 2019 (FRS 102);
- make judgements 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 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 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 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 auditors are unaware; and
- The trustees have taken all the steps that they ought to have taken in order to make themselves aware of any relevant audit information and to establish that the auditor is aware of that information.

AUDITORS

The auditors, Mercer & Hole LLP, will be proposed for re-appointment at the forthcoming Annual General Meeting.

This report has been prepared in accordance with the special provisions of Part 15 of the Companies Act 2006 relating to small companies.

2/10/2024

Approved by order of the board of trustees on ..... and signed on its behalf by:

Signed by:

F6302B3CE1A348F...

Mr R F Jones - Chair

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REPORT OF THE INDEPENDENT AUDITORS TO THE MEMBERS OF

WATFORD AND DISTRICT MENCAP SOCIETY

Opinion

We have audited the financial statements of Watford and District Mencap Society for the year ended 31 March 2024 which comprise the statement of financial activities, the balance sheet, the statement of cash flows and the notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the charitable company's affairs as at 31 March 2024 and of its incoming resources and application of resources, including its income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

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

Conclusions relating to going concern

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

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

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

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Other information

The other information comprises the information included in the trustees annual report, other than the financial statements and our auditor's report thereon. The trustees are responsible for the other information contained within the annual report. 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. 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 course of 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 this gives rise to a material misstatement in the financial statements themselves. 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.

Opinion 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 directors' report) for the financial year for which the financial statements are prepared is consistent with the financial statements; 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 charitable company and its environment obtained in the course of the audit, we have not identified material misstatements in the report of the trustees.

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:

- adequate accounting records have not been kept by the charitable company, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of trustees' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit; or
- the trustees were not entitled to prepare the financial statements in accordance with the small companies' regime and take advantage of the small companies' exemptions in preparing the directors' report and from the requirement to prepare a strategic report.

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Responsibilities of trustees

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

In preparing the financial statements, the trustees are responsible for assessing the 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 charitable company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in 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 specific procedures for this engagement and the extent to which these are capable of detecting irregularities, including fraud is detailed below.

Explanation as to what extent the audit was considered capable of detecting irregularities including fraud

We gained an understanding of the legal and regulatory framework applicable to the company and the industry in which it operates and considered the risk of acts by the company that were contrary to applicable laws and regulations, including fraud. These included, but were not limited to, the Companies Act 2006 and tax legislation.

We evaluated management's incentives and opportunities for fraudulent manipulation of the financial statements and the financial report (including the risk of override of controls), and determined that the principal risks were related to posting inappropriate entries including journals to overstate revenue or understate expenditure and management bias in accounting estimates.

Audit procedures performed by the engagement team included:

- discussions with management, including considerations of known or suspected instances of non-compliance with laws and regulations and fraud;
- gaining an understanding of management's controls designed to prevent and detect irregularities; and
- identifying and testing journal entries.

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Owing to the inherent limitations of an audit, there is an unavoidable risk that we may not have detected some material misstatements in the financial statements, even though we have properly planned and performed our audit in accordance with auditing standards. For example, the further removed non-compliance with laws and regulations (irregularities) is from the events and transactions reflected in the financial statements, the less likely the inherently limited procedures required by auditing standards would identify it. In addition, as with any audit, there remained a higher risk of non-detection of irregularities, as these may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal controls. We are not responsible for preventing non- compliance and cannot be expected to detect non-compliance with all laws and regulations.

A further description of our responsibilities is available on the Financial Reporting Council's website at: https:// www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditor's report.

Use of our report

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

The maintenance and integrity of the Watford and District Mencap Society website is the responsibility of the trustees; the work carried out by the auditors does not involve consideration of these matters and, accordingly, the auditors accept no responsibility for any changes that may have occurred to the financial statements since they were initially presented on the website.

DocuSigned by:
Jolene Upshall
27DC21325673435...

Date: 17/10/2024

Jolene Upshall FCA
for and on behalf of Mercer & Hole LLP
Chartered Accountants
Trinity Court
Church Street
Rickmansworth
Hertfordshire
WD3 1RT

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WATFORD AND DISTRICT MENCAP SOCIETY

STATEMENT OF FINANCIAL ACTIVITIES (INCLUDING INCOME AND EXPENDITURE ACCOUNT)

FOR THE YEAR ENDED 31 MARCH 2024

	Notes	General funds	Designated funds	Restricted funds	Total funds 31.03.24	Total funds 31.03.23
		£	£	£	£	£
INCOME						
Donations and legacies	3	**45,804**	-	**50,000**	**95,804**	48,165
Charitable activities	6					
From public authorities		**2,428,953**	-	**303,151**	**2,732,104**	2,736,537
Grants		**27,204**	-	**20,596**	**47,800**	130,345
Rental income		**194,406**	-	-	**194,406**	192,286
Fees for using facilities and services		**180,378**	-		**180,378**	169,101
Café income		**49,689**	-	-	**49,689**	46,115
Other trading activities	4	**93,311**	-	-	**93,311**	79,538
Investment income	5	**33,102**	-	-	**33,102**	8,985
Other income		**1,971**	-	-	**1,971**	-
Total		**3,054,818**	-	**373,747**	**3,428,565**	3,411,072
EXPENDITURE						
Cost of Raising funds	7					
Fundraising activities		**65,631**	-	-	**65,631**	56,864
Other trading activities		**54,371**	-	-	**54,371**	45,008
Charitable activities	8					
Advice and information		**6,468**	-	**14,896**	**21,364**	39,203
Learning and leisure		**779,953**	-	**5,600**	**785,553**	630,614
Right support		**2,185,673**	-	**303,282**	**2,488,955**	2,315,927
Total		**3,092,096**	-	**323,778**	**3,415,874**	3,087,616
Net income	9	**(37,278)**	-	**49,969**	**12,691**	323,456
Transfers between funds	21	**85,320**	**(49,768)**	**(35,552)**	-	-
OTHER RECOGNISED GAINS						
Actuarial losses relating to pension scheme deficit	19	**(738)**	-	-	**(738)**	(56)
Gain on disposal of fixed assets	10	**594**	-	-	**594**	-
Net movement in funds		**47,898**	**(49,768)**	**14,417**	**12,547**	323,400
RECONCILIATION OF FUNDS						
Total funds brought forward	13	**482,642**	**2,246,936**	**62,086**	**2,791,664**	2,468,264
TOTAL FUNDS CARRIED FORWARD	20	**530,540**	**2,197,168**	**76,503**	**2,804,211**	2,791,664

All income and expenditure has arisen from continuing activities.

The notes form part of these financial statements

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WATFORD AND DISTRICT MENCAP SOCIETY

BALANCE SHEET

AT 31 MARCH 2024

	Notes	31.03.24 £	31.03.23 £
FIXED ASSETS			
Tangible assets	14	**2,190,727**	2,185,252
CURRENT ASSETS			
Debtors	15	**108,185**	681,118
Cash at bank		**1,052,100**	774,504
		1,160,285	1,455,622
CREDITORS			
Amounts falling due within one year	16	**(537,877)**	(579,989)
NET CURRENT ASSETS		**622,408**	875,633
TOTAL ASSETS LESS CURRENT LIABILITIES		**2,813,135**	3,060,885
CREDITORS			
Amounts falling due after more than one year	17	**-**	(250,117)
PROVISIONS	19	**(8,924)**	(19,104)
NET ASSETS		**2,804,211**	2,791,664
FUNDS	21		
Unrestricted funds		**2,727,708**	2,729,578
Restricted funds		**76,503**	62,086
TOTAL FUNDS		**2,804,211**	2,791,664

These financial statements have been prepared in accordance with the special provisions of Part 15 of the Companies Act 2006 relating to small charitable companies.

The financial statements were approved by the Board of Trustees on 2/10/2024 and were signed on its behalf by:

Signed by:
F6302B3CE1A348F...
Mr R F Jones –Trustee (Chair)

Signed by:
Pauline Joy
CEF1B8C60A3446B...
Mrs P Joy –Trustee (acting Vice Chair, Treasurer)

REGISTERED COMPANY NUMBER: 02636705 (England and Wales)
REGISTERED CHARITY NUMBER: 1004431

The notes form part of these financial statements

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WATFORD AND DISTRICT MENCAP SOCIETY

CASH FLOW STATEMENT

FOR THE YEAR ENDED 31 MARCH 2024

	Notes	31.03.24 £	31.03.23 £
Cash flows from operating activities:			
Net cash (used in) provided by operating activities	28	**528,133**	(280,650)
Interest paid		**(11,766)**	(13,280)
Cash flows from investing activities:			
Interest received		**33,102**	8,985
Acquisition of fixed assets	14	**(17,953)**	-
Proceeds on disposal of fixed assets	10	**594**	-
Net cash provided by (used in) investing activities		**15,743**	8,985
Cash flows from financing activities:			
Repayment of bank loans	18	**(254,514)**	-
Net cash (used in) provided by financing activities		**(254,514)**	-
Change in cash and cash equivalents in the reporting period		**277,596**	(284,945)
Cash and cash equivalents at the beginning of the reporting period		**774,504**	1,059,449
Cash and cash equivalents at the end of the reporting period		**1,052,100**	774,504

The notes form part of these financial statements

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1. COMPANY INFORMATION

Watford and District Mencap Society is a public benefit entity registered as a charity in England and Wales and a company limited by guarantee. It was incorporated on 9 August 1991 (company number: 02636705) and registered as a charity on 15 October 1991 (charity number: 1004431).

The company was established under a Memorandum of Association which established the objects and powers of the charitable company and is governed under its Articles of Association.

In the event of the charitable company being wound up, members are required to contribute an amount not exceeding £1 each.

The registered office of the charity is: 92a Langley Road, Watford, Hertfordshire, England, WD17 4PJ.

2. ACCOUNTING POLICIES

Basis of preparing the financial statements

The financial statements of the charitable company, which is a public benefit entity under FRS 102, have been prepared in accordance with the Charities SORP (FRS 102) 'Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their financial statements in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2019)', Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' and the Companies Act 2006. The financial statements have been prepared under the historical cost convention. Assets and liabilities are initially recognised at historical cost or transaction value unless otherwise stated in the relevant accounting policy note(s).

Preparation of the financial statements on a going concern basis

The financial statements are drawn up on the going concern basis which assumes Watford and District Mencap Society will continue in operational existence for the foreseeable future. The Council of Management have given due consideration to the working capital and cash flow requirements of Watford and District Mencap Society. The Council of Management consider Watford and District Mencap Society's current and forecast cash

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2. ACCOUNTING POLICIES - continued

resources to be sufficient to cover the working capital requirements of the charity for at least 12 months from the date of signing the financial statements.

Critical accounting judgements and key sources of estimation uncertainty

The preparation of the financial statements requires the Council of Management to make judgements, estimates and assumptions that affect the amounts reported for assets and liabilities as at the balance sheet date and the amounts reported for income and expenditure during the period. However, the nature of estimation means that actual outcomes could differ from those estimates.

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

Income

Income is recognised when the charity has entitlement to the funds, any performance conditions attached to the item(s) of income have been met, it is probable that the income will be received and the amount can be measured reliably. Income received in advance of a service is deferred until the criteria for income recognition are met. Income arises in the United Kingdom.

Income from government and other grants, whether 'capital' grants or 'revenue' grants, is recognised when the charity has entitlement to the funds, any performance conditions attached to the grants have been met, it is probable that the income will be received and the amount can be measured reliably and is not deferred.

For legacies, entitlement is taken as the earlier of the date on which either: 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 Trust 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. Where legacies have been notified to the charity, or the charity is aware of the granting of probate, and the criteria for

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2. ACCOUNTING POLICIES - continued

income recognition have not been met, then the legacy is a treated as a contingent asset and disclosed if material.

Gifts in kind are valued at estimated value to the charity. They are included in the charity's financial statements if the estimated value is in excess of £500.

Interest receivable on funds held on deposit is included when receivable and the amount can be measured reliably by the charity; this is normally upon notification of the interest paid or payable by the bank.

Unrestricted charitable donations are recognised in the financial statements when the charitable donation has been received or if before receipt, there is sufficient evidence to provide the necessary certainty that the donation will be received and the value of the incoming resources can be measured with sufficient reliability.

Donated professional services and facilities are recognised as income when the charity has control over the item, any conditions associated with the donated item have been met, the receipt of economic benefit from the use by the charity of the item is probable and that economic benefit can be measured reliably. In accordance with the Charities SORP (FRS 102), the general volunteer time is not recognised. On receipt, donated professional services and facilities are recognised on the basis of the value of the gift to the charity which is the amount the charity would have been willing to pay to obtain services or facilities of equivalent economic benefit on the open market; a corresponding amount is then recognised in expenditure in the period of receipt.

Expenditure

Liabilities are recognised as expenditure as soon as there is a legal or constructive obligation committing the charity to that expenditure, it is probable that a transfer of economic benefits will be required in settlement and the amount of the obligation can be measured reliably. Expenditure is accounted for on an accruals basis and has been classified under headings that aggregate all costs related to the category. Where costs cannot be directly attributed to particular headings they have been allocated to activities on a basis consistent with the use of resources. A further analysis of this expenditure is given in the notes to the financial statements.

- Cost of raising funds comprises fundraising activities and commercial trading, including their associated support costs.
- Expenditure on charitable activities includes the costs of the charity's services undertaken to further the purpose of the charity and their associated support costs.
- Other expenditure represents those items not falling into any other heading.

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2. ACCOUNTING POLICIES - continued

Tangible fixed assets

Tangible fixed assets, are initially measured at historic cost and subsequently carried at cost less accumulated depreciation and any accumulated impairment losses. All costs incurred to bring an asset into its intended working condition are included in the measurement of cost. Assets are capitalised where the purchase price exceeds £500. The cost of properties is their purchase price together with the cost of improvement works.

At the reporting date, the Council of Management assess, without actually revaluing those assets, whether there is any indication that an asset may be impaired. An impairment loss is recognised if the recoverable amount of an asset is less than its carrying amount.

Depreciation is provided at rates calculated to write down the cost of each asset to its residual value (its scrap or realistic value at the end of its economic life) on a systematic basis over its useful economic life. The assets' residual values and useful lives are reviewed, and adjusted, if appropriate, at the end of each reporting period. The effect of any change is accounted for prospectively.

The main depreciation rates in use are as follows:

- Land - 0% assumed to have an unlimited useful life
- Freehold property - 2% on cost
- Fixtures and fittings - 25% reducing balance
- Motor vehicles - 25% reducing balance

Freehold properties acquired prior to 1 April 1996 are not depreciated as the historical cost between land and buildings cannot be reliably segregated. The Council of Management are satisfied, as the freehold properties are maintained to a good standard, that the aggregate value of the freehold properties at the reporting date is not less than the aggregate amount at which they are stated in the charity's financial statements. The freehold properties are accordingly stated in the financial statements on the basis that the residual value is greater than the asset's carrying amount and the depreciation charge is zero until its residual value subsequently decreases to an amount below the carrying amount.

Cash and cash equivalents

Cash and cash equivalents include cash in hand, deposits held at call with banks, other short-term liquid investments with original maturities of three months or less, and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities.

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2. ACCOUNTING POLICIES - continued

Taxation

The charity is an institution which is established for charitable purposes within the meaning of the Charities Act 2011 and as such is a charity within the meaning of Para 1 of Schedule 6 to the Finance Act 2010. Accordingly, the charity is potentially exempt from taxation in respect of income or capital gains received within categories covered by Sections 478-488 of the Corporation Tax Act 2010 (formerly enacted in Section 505 of the Income and Corporation Taxes Act 1988) or Section 256 of the Taxation of Chargeable Gains Act 1992 to the extent that such income or gains are applied to exclusively charitable purposes. The charity receives no similar exemption in respect of Value Added Tax.

The charity is exempt from corporation tax on its charitable activities.

The charity is not registered for VAT, as the Council of Management consider the charity's incoming resources are exempt from VAT. VAT is included within the attributable cost under resources expended.

Pension costs and other post-retirement benefits

The charity made contributions to a defined benefit pension scheme on behalf of its employees up to September 2001. See note 25 for further information regarding this scheme.

The charity operates a defined contribution pension scheme. The assets of the scheme are held separately from those of the charity in an independently administered fund. The pension costs represent contributions payable under the scheme by the charity to the fund. The charity has no liability under the scheme other than for the payment of those contributions.

Contributions outstanding at the balance sheet date amounted to £11,887 (2023: £10,587).

Operating leases

Rentals under operating leases are charged on a straight-line basis over the lease term, even if the payments are not made on such a basis. Benefits received and receivable as an incentive to sign an operating lease are similarly spread on a straight-line basis over the lease term which runs to the date of the first relevant break clause.

Provision

Provision is made for present obligations where it is probable settlement will be required in the future and the amount can be estimated reliably, but the amount or timing is not certain.

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2. ACCOUNTING POLICIES - continued

The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the reporting end date, taking into account the risks and uncertainties surrounding the obligation. Where the effect of the time value of money is material, the amount expected to be required to settle the obligation is recognised at present value. When a provision is measured at present value, the unwinding of the discount is recognised as a finance cost in net income/(expenditure) in the period in which it arises.

Basic financial instruments

Financial assets (including cash and debtors) and financial liabilities are recognised when the charity becomes a party to the contractual provisions of the instrument. Additionally, all financial assets and liabilities are classified according to the substance of the contractual arrangements entered into.

Financial assets and liabilities are initially measured at transaction price (including transaction costs) and are subsequently remeasured where applicable at amortised cost.

Financial assets include cash, trade debtors and other debtors.

Financial liabilities include trade creditors, other creditors and accruals.

Fund accounting

General funds are available to spend on activities that further any of the purposes of the charity.

Designated funds are unrestricted funds of the charity which the Council of Management have decided at their discretion to set aside to use for a specific purpose.

Restricted funds are donations which the donor has specified are to be solely used for particular areas of the charity's work or for specific projects being undertaken by the charity.

Further explanation of the nature and purpose of each fund is included in note 21.

Funds are reviewed annually by the Council of Management and transfers are made between funds in order to meet the strategic objectives of the charity's business plan.

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3. DONATIONS AND LEGACIES

	31.03.24	31.03.23
	£	£
Donations	94,157	47,668
Legacies	1,647	497
	95,804	48,165

4. OTHER TRADING ACTIVITIES

	31.03.24	31.03.23
	£	£
Shop income	79,202	63,720
Other fundraising activities	14,109	15,818
	93,311	79,538

5. INVESTMENT INCOME

	31.03.24	31.03.23
	£	£
Bank and Building Society interest	33,102	8,985

6. INCOME FROM CHARITABLE ACTIVITIES

	31.03.24	31.03.23
	£	£
From public authorities *	2,732,104	2,736,537
Grants	47,800	130,345
Rental income	194,406	192,286
Fees for using facilities and services	180,378	169,101
	3,154,688	3,228,269

* Includes income generated by the Fundraising team participating in Hertfordshire County Council tenders.

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7. COSTS OF RAISING FUNDS

Fundraising activities

	31.03.24	31.03.23
	£	£
Raising income	65,631	56,864

Other trading activities

	31.03.24	31.03.23
	£	£
Shop expenditure	54,371	45,008
	54,371	45,008
Aggregate fund raising expenditure	120,002	101,872

8. CHARITABLE ACTIVITES COST

	Direct costs	Support costs	Total 31.03.24	Total 31.03.23
	£	£	£	£
Advice and information	11,611	9,753	21,364	39,203
Learning and leisure	616,273	169,280	785,553	630,614
Right support	2,326,668	162,287	2,488,955	2,315,927
	2,954,552	341,320	3,295,872	2,985,744

9. NET INCOME

Net income is stated after crediting/(charging):

	31.03.24	31.03.23
	£	£
Occupancy lease income	194,406	192,286
Depreciation - owned assets (note 14)	(12,478)	(11,272)
Auditor's remuneration – audit	(10,260)	(8,300)
Auditor's remuneration – non-audit	(1,159)	(2,350)
Occupancy licence/lease costs	(115,627)	(118,244)

10. GAIN ON DISPOSAL OF FIXED ASSETS

The gain of £594 arose on the disposal of motor vehicles.

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11. TRUSTEES' REMUNERATION AND BENEFITS

No trustees' remuneration or other benefits were paid either for the year ended 31 March 2024 or the previous year.

No trustee received payment for professional or other services supplied to the charity. Unrestricted donations totalling £1,086 (2023: £760) were received from trustees in the year.

The trustees were able to use services used generally by beneficiaries and members of the charity.

Trustees' expenses

No trustees' expenses were paid, either for the year ended 31 March 2024 or the previous year.

12. STAFF COSTS

Total staff costs were as follows:

	31.03.24	31.03.23
	£	£
Wages and salaries	**2,257,755**	1,942,201
Social security costs	**165,537**	156,239
Pension costs (note 19)	**57,981**	54,592
	2,481,273	2,153,032

The average number of employees during the year was as follows:

	31.03.24	31.03.23
Office management	**26**	28
Support workers	**144**	133
	170	161

One employee received emoluments in excess of £80,000 (2023: 1 employee received emoluments in excess of £60,000).

The charity pays contributions into a group scheme with the Pensions Trust. The pension cost for the year was £57,981 (2023: £54,592).

The key management personnel of the charity comprise the Council of Management, the Chief Executive, the Finance Manager, the HR Manager, the Head of Operations Manager and the Fundraising Manager. The total employee benefits, including pension contributions, of the key management personnel of the charity were £246,589 (2023: £235,019).

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13. COMPARATIVES FOR THE STATEMENT OF FINANCIAL ACTIVITIES

FOR THE YEAR ENDED 31 March 2023

	Notes	General funds £	Designated funds £	Restricted funds £	Total funds 31.03.23 £
Donations and legacies	3	48,165	-	-	48,165
Charitable activities	6				
From public authorities		2,419,345	-	317,192	2,736,537
Grants		15,474	-	114,871	130,345
Rental income		192,286	-	-	192,286
Fees for using facilities and services		169,101	-		169,101
Café income		46,115	-	-	46,115
Other trading activities	4	79,538	-	-	79,538
Investment income	5	8,985	-	-	8,985
Other income		-	-	-	-
Total		2,979,009	-	432,063	3,411,072
EXPENDITURE					
Cost of Raising funds	7				
Fundraising activities		56,864	-	-	56,864
Other trading activities		45,008	-	-	45,008
Charitable activities	8				
Advice and information		18,203	-	21,000	39,203
Learning and leisure		602,245	-	28,369	630,614
Right support		1,968,733	52	347,142	2,315,927
Total		2,691,053	52	396,511	3,087,616
Net (expenditure) income	9	287,956	(52)	35,552	323,456
Exceptional Item	10	-	-	-	-
Transfers between funds	21	148,229	(148,229)	-	-
OTHER RECOGNISED GAINS					
Release of sleep-in payments provision	19	-	-	-	-
Actuarial gains relating to pension scheme deficit	19	(56)	-	-	(56)
Gain on disposal of fixed assets	14	-	-	-	-
Net movement in funds		436,129	(148,281)	35,552	323,400
RECONCILIATION OF FUNDS					
Total funds brought forward	13	46,513	2,395,217	26,534	2,468,264
TOTAL FUNDS CARRIED FORWARD	20	482,642	2,246,936	62,086	2,791,664

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14. TANGIBLE FIXED ASSETS

	Land and buildings £	Fixtures and fittings £	Motor vehicles £	Totals £
COST				
At 1 April 2023	**2,202,524**	**31,956**	**29,850**	**2,264,330**
Addition	**17,298**	**-**	**655**	**17,953**
Disposal	**-**	**(6,851)**	**(22,000)**	**(28,851)**
At 31 March 2024	**2,219,822**	**25,105**	**8,505**	**2,253,432**
DEPRECIATION				
At 1 April 2023	**17,272**	**31,956**	**29,850**	**79,078**
Charge for year	**12,314**	**-**	**164**	**12,478**
Eliminated on disposal	**-**	**(6,851)**	**(22,000)**	**(28,851)**
At 31 March 2024	**29,586**	**25,105**	**8,014**	**62,705**
NET BOOK VALUE				
At 31 March 2024	**2,190,236**	**-**	**491**	**2,190,727**
At 31 March 2023	2,185,252	-	-	2,185,252

Included in cost of land and buildings is freehold property of £1,019,822 (2023:£1,002,524) and land of £1,200,000 (2023:£1,200,000).

15. DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	31.03.24 £	31.03.23 £
Trade debtors	**77,718**	630,094
Other debtors	**6,829**	-
Prepayments and accrued income	**23,638**	51,024
	108,185	681,118

16. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

		31.03.24 £	31.03.23 £
Trade creditors		**130,090**	72,759
Other creditors		**17,795**	59,683
Individual service funds		**112,002**	135,038
Accruals		**244,687**	239,925
Deferred income		**33,303**	68,187
Bank loans	18	**-**	4,397
		537,877	579,989

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17. CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR

		31.03.24 £	31.03.23 £
Bank loans	18	-	250,117
		-	250,117

18. BORROWINGS

	31.03.24 £	31.03.23 £
Loans	-	254,514
Payable within one year	-	4,397
Payable after one year	-	250,117

Amounts included above which fall due after five years:

Payable by instalments	-	229,313

The loan was secured over the assets and undertakings of the charity by way of fixed and floating charges and was repaid in full during the year.

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19. PROVISIONS

	31.03.24	31.03.23
	£	£
Pension deficit funding arrangement	8,924	19,104
	8,924	19,104

Pension deficit funding arrangement
Reconciliation of opening and closing provision

	31.03.24	31.03.23
	£	£
Provision at start of period	19,104	29,966
Unwinding of the discount factor (interest expense)	731	566
Deficit reduction payment	(10,918)	(10,918)
Remeasurements - impact of changes in assumptions	7	(510)
Remeasurements - amendments to the contribution schedule	-	-
Provision at end of period	8,924	19,104

Actuarial losses (gains) relating to pension scheme deficit

	31.03.24	31.03.23
	£	£
Unwinding of the discount factor (interest expense)	731	566
Remeasurements - impact of changes in assumptions	7	(510)
Remeasurements - amendments to the contribution schedule	-	-
Actuarial losses relating to pension scheme deficit	738	56

Contributions paid (see note below)	57,981	54,592
Costs recognised in staff costs	57,981	54,592

Note
Includes payments in respect of a defined contribution scheme and service contributions (i.e. excluding deficit reduction payments) in respect of a defined benefit scheme which is now treated as a defined contribution scheme.

More details are disclosed in the pensions note 25.

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20. ANALYSIS OF NET ASSETS BETWEEN FUNDS

Current year	General funds	Designated funds	Restricted funds	Total funds 31.03.24
	£	£	£	£
Fixed assets	-	2,190,727	-	2,190,727
Current assets	1,077,341	6,441	76,503	1,160,285
Current liabilities	(537,877)	-	-	(537,877)
Non-current liabilities	-	-	-	-
Provision	(8,924)	-	-	(8,924)
	530,540	2,197,168	76,503	2,804,211

Comparative year	General funds	Designated funds	Restricted funds	Total funds 31.03.23
	£	£	£	£
Fixed assets	-	2,185,252	-	2,185,252
Current assets	1,077,338	316,198	62,086	1,455,622
Current liabilities	(575,592)	(4,397)	-	(579,989)
Non-current liabilities	-	(250,117)	-	(250,117)
Provision	(19,104)	-	-	(19,104)
	482,642	2,246,936	62,086	2,791,664

21. MOVEMENT IN FUNDS

Current year	At 01.04.23	Income	Expenditure	Other gains and losses	Transfers	At 31.03.24
		£	£	£	£	£
Unrestricted funds						
General funds	482,642	3,054,818	(3,092,096)	(144)	85,320	530,540
Designated - Repairs and building	75,653	-	-	-	-	75,653
Designated - Charles Hatch Bequest	25,070	-	-	-	-	25,070
Designated – Malcom legacy	30,491	-	-	-	-	30,491
Designated - Transport	34,372	-	-	-	-	34,372
Designated - Tangible fixed assets	1,930,740	-	-	-	-	1,930,740
Designated - Pension	150,610	-	-	-	(49,768)	100,842
	2,729,578	3,054,818	(3,092,096)	(144)	35,552	2,727,708
Restricted funds						
Advice	-	14,896	(14,896)	-	-	-
Afterschool Club	-	3,100	(3,100)	-	-	-
Berrywood	-	100	(100)	-	-	-
Bumble Club	-	2,500	(2,500)	-	-	-
Hertfordshire Mencaps	1,284	-	(31)	-	-	1,253
Individual Service Funds	-	303,151	(303,151)	-	-	-
Hillside	-	-	-	-	-	-
Learning and leisure	-	-	-	-	-	-
Legacy	25,250	-	-	-	(25,250)	-
Garden and Landscape project	-	50,000	-	-	25,250	75,250
Wolfson Foundation	35,552	-	-	-	(35,552)	-
	62,086	373,747	(323,778)	-	(35,552)	76,503
TOTAL FUNDS	2,791,664	3,428,565	(3,415,874)	(144)	-	2,804,211

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21. MOVEMENT IN FUNDS - continued

Comparative year	At 01.04.22	Income £	Expenditure £	Other gains and losses £	Transfers £	At 31.03.23 £
Unrestricted funds						
General funds	46,513	2,979,009	(2,691,053)	(56)	148,229	482,642
Designated - Repairs and building	75,653	-	-	-	-	75,653
Designated - Charles Hatch Bequest	25,122	-	(52)	-	-	25,070
Designated – Malcom legacy	30,491	-	-	-	-	30,491
Designated - Transport	34,372	-	-	-	-	34,372
Designated - Tangible fixed assets	1,936,487	-	-	-	(5,747)	1,930,740
Designated - Pension	293,092	-	-	-	(142,482)	150,610
	2,441,730	2,979,009	(2,691,105)	(56)	-	2,729,578
Restricted funds						
Advice	-	21,000	(21,000)	-	-	-
Afterschool Club	-	28,369	(28,369)	-	-	-
Berrywood	-	7,500	(7,500)	-	-	-
Café	-	22,450	(22,450)	-	-	-
Hertfordshire Mencaps	1,284	-	-	-	-	1,284
Individual Service Funds	-	317,192	(317,192)	-	-	-
Hillside	-	-	-	-	-	-
Learning and leisure	-	-	-	-	-	-
Legacy	25,250	-	-	-	-	25,250
Shop		-	-	-	-	-
Technology	-	-	-	-	-	-
Wolfson Foundation	-	35,552	-	-	-	35,552
	26,534	432,063	(396,511)	-	-	62,086
TOTAL FUNDS	2,468,264	3,411,072	(3,087,616)	(56)	-	2,791,664

Unrestricted funds:

General funds are the "free" reserves after allowing for all designated funds.

Designated funds are amounts that have been put aside at the discretion of the Council of Management for specific purposes, as follows:

Repairs and building - funds set aside for the maintenance of and future liabilities arising from the properties owned and managed by the charity.

Charles Hatch Bequest - funds from which, at the discretion of the Council of Management, small grants may be made to people with disabilities who are in urgent need.

Malcom Legacy - funds from which, at the discretion of the Council of Management, will be used for garden works and the play barn.

Transport - funds set aside to replace the charity's vehicles at the end of their useful lives.

Tangible fixed assets - funds set aside to replace the charity's assets at the end of their useful lives.

Pension - funds set aside to cover potential employer debt on withdrawal from pension scheme.

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21. MOVEMENT IN FUNDS – continued

Restricted funds:

The restricted funds of the charity are all income funds. The funds are subject to conditions imposed by the donors and are for the following reasons:

Advice – funds restricted for direct costs of providing advice and information service.

Afterschool club – funds restricted for the direct costs involved with providing after school activities for children and young people.

Berrywood – funds restricted for the direct costs involved in the residential care home.

Café – funds restricted for the setup of the café in the Watford central library.

Hertfordshire Mencaps - partnership grant held for Hertfordshire Mencaps.

Individual Service Funds - funds restricted for the provision of individual personalised services.

Hillside – roof repairs.

Learning and leisure - funds restricted for the provision of learning and leisure activities.

Legacy - legacy to be utilised for specific projects.

Shop – funds restricted for the direct costs involved with the Bushey charity shop.

Technology - funds restricted for the delivery of a technology club for children and young people.

Garden and Landscape project – funds restricted to build a playbarn.

Transfers:

A transfer of £49,768 (2023: £142,482) has been made from the designated pension fund to general funds and a transfer of £35,552 from restricted funds to general funds.

22. RELATED PARTY DISCLOSURES

There were no related party transactions for the year ended 31 March 2024 nor for the year ended 31 March 2023.

23. ULTIMATE CONTROLLING PARTY

In the opinion of the trustees the charity does not have an ultimate controlling party. There has been no change between the reporting date and date of approval of the financial statements.

24. EVENTS AFTER THE REPORTING PERIOD

Events after the reporting date are those events, favourable or unfavourable, that occur between the balance sheet date and the date when the financial statements are authorised. There are no adjusting events after the reporting period which will have a material effect on the financial statements of the charity.

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25. PENSIONS

The Pensions Trust - Growth Plan Scheme

Background

The charity participates in the above Scheme. The Scheme is funded and is not-contracted out of the State scheme.

Contributions paid by the charity into the Scheme up to and including September 2001 were converted to defined amounts of pension payable from the National Retirement Date. This scheme is known as Growth Plan Series 3 ("GP3"). From October 2001 contributions from the charity were invested in personal funds which are converted to a pension on retirement, either within the Scheme or by the purchase of an annuity. This scheme is known as Growth Plan Series 4 ("GP4").

GP3 closed to further contributions from 30 September 2013, and during that year the charity consulted with employees and decided to offer GP4 from 1 October 2013 rather than exit the Scheme altogether and closed GP3 to new entrants. GP4 is deemed to be a "qualifying scheme" for the purposes of Auto Enrolment, and is in use by the charity as an Auto-Enrolment vehicle since its staging date of 1 May 2014. As at the balance sheet date there were 70 (2023: 70) active members of the Scheme employed by the charity.

The Pensions Act 2011 changed the definition of Money Purchase schemes, following which GP3 was classified as a defined benefit scheme. As a result, any liabilities within this Scheme must be included in the calculation of any debt on withdrawal.

It is not possible in the normal course of events to identify on a reasonable and consistent basis the share of underlying assets and liabilities belonging to individual participating employers because the Scheme is a multi-employer scheme, where the assets are co-mingled for investment purposes, and benefits are paid out of the Scheme's total assets.

Employer's debt on withdrawal

An employer debt will arise if the Scheme is wound up; a participating employer becomes insolvent; ceases to participate in the Scheme, or ceases to exist.

A debt liability will not crystallise as long as the charity continues to employ an active member of the Scheme. Note that failure to submit the Additional Contributions (see below) may result in the Trustee terminating the employer's participation in the Scheme, resulting in a cessation event. Should the charity withdraw from the Scheme, the actual debt figure would have to be calculated by the Scheme actuary at the date of withdrawal.

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25. PENSIONS - continued

Valuation

The Scheme Trustee commissions an actuarial valuation of the Scheme every three years. The most recent valuation was at 30 September 2020 (previous valuation was at 30 September 2017). The purpose of the actuarial valuation is to determine the funding position of the Scheme by comparing the assets with past service liabilities as at the valuation date. Asset values are calculated by reference to market levels. Accrued past service liabilities are valued by discounting expected future benefit payments using a discount rate calculated by reference to the expected future investment returns.

The valuation at 30 September 2020 was performed by a professionally qualified Actuary using the Projected Unit Method. The market value of the Scheme's assets at the valuation date was £800 million (30 September 2017: £795 million) and the Scheme's Technical Provisions (i.e. past service liabilities) were £832 million (30 September 2017: £927 million). The valuation therefore revealed a shortfall of assets compared with the value of liabilities of £32 million (30 September 2017: £132 million).

Buy Out Basis of valuation

The buy out (or, solvency) basis is the statutorily prescribed basis for calculating an employer's debt on withdrawal. It is also known as a "Section 75 debt" from that part of the Pensions Act 2004.

The debt for the Scheme as a whole is calculated by comparing the liabilities for the Scheme (calculated on a buy-out basis i.e. the cost of securing benefits by purchasing annuity policies from an insurer, plus an allowance for expenses) with the assets of the scheme. If the liabilities exceed the assets there is a buy-out debt.

Insurance companies tend to price annuities based on conservative assumptions for future investment returns and build in a risk allowance or safety margin to allow for the fact that the benefits are guaranteed. An element of profit is also included in the calculation. As a result, buy-out liabilities of the Scheme are significantly higher than the ongoing liabilities.

The leaving employer's share of the buy-out debt is the proportion of the Scheme's liability attributable to employment with the leaving employer compared to the total amount of the Scheme's liabilities (relating to employment with all the currently participating employers). The leaving employer's debt therefore includes a share of any 'orphan' liabilities in respect of previously participating employers. The amount of the debt therefore depends on many factors including total Scheme liabilities, Scheme investment performance, the liabilities in respect of current and former employees of the employer, financial conditions at the time of the cessation event and the insurance buy-out market. The amounts of debt can therefore be volatile over time.

Pension deficit funding arrangement

The company participates in the scheme, a multi-employer scheme which provides benefits to some 638 non-associated participating employers. The scheme is a defined benefit scheme in the UK. It is not possible for the company to obtain sufficient information to enable it to account for the scheme as a defined benefit scheme. Therefore it accounts for the scheme as a defined contribution scheme.

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25. PENSIONS - continued

Pension deficit funding arrangement - continued

The scheme is subject to the funding legislation outlined in the Pensions Act 2004 which came into force on 30 December 2005. This, together with documents issued by the Pensions Regulator and Technical Actuarial Standards issued by the Financial Reporting Council, set out the framework for funding defined benefit occupational pension schemes in the UK.

The scheme is classified as a 'last-man standing arrangement'. Therefore the company is potentially liable for other participating employers' obligations if those employers are unable to meet their share of the scheme deficit following withdrawal from the scheme. Participating employers are legally required to meet their share of the scheme deficit on an annuity purchase basis on withdrawal from the scheme.

A full actuarial valuation for the scheme was carried out at 30 September 2020. This valuation showed assets of £800.3m, liabilities of £831.9m and a deficit of £31.6m. To eliminate this funding shortfall, the Trustee has asked the participating employers to pay additional contributions to the scheme as follows:

Deficit contributions

From 1 April 2022 to 31 January 2025:	£3,312,000 per annum (payable monthly)

Unless a concession has been agreed with the Trustee the term to 31 January 2025 applies.

Note that the scheme's previous valuation was carried out with an effective date of 30 September 2017. This valuation showed assets of £794.9m, liabilities of £926.4m and a deficit of £131.5m. To eliminate this funding shortfall, the Trustee asked the participating employers to pay additional contributions to the scheme as follows:

Deficit contributions

From 1 April 2019 to 30 September 2025:	£11,243,000 per annum (payable monthly and increasing by 3% each on 1st April)

The recovery plan contributions are allocated to each participating employer in line with their estimated share of the Series 1 and Series 2 scheme liabilities.

Where the scheme is in deficit and where the company has agreed to a deficit funding arrangement the company recognises a liability for this obligation. The amount recognised is the net present value of the deficit reduction contributions payable under the agreement that relates to the deficit. The present value is calculated using the discount rate detailed in these disclosures. The unwinding of the discount rate is recognised as a finance cost.

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25. PENSIONS - continued

Assumptions

	31 March 2024	31 March 2023	31 March 2022
	% per annum	% per annum	% per annum
Rate of discount	5.31	5.52	2.35

The discount rates shown above are the equivalent single discount rates which, when used to discount the future recovery plan contributions due, would give the same results as using a full AA corporate bond yield curve to discount the same recovery plan contributions.

The following schedule details the deficit contributions agreed between the company and the scheme at each year end period:

Deficit contribution schedule	31 March 2024	31 March 2023	31 March 2022
	£000s	£000s	£000s
Year 1	9	11	11
Year 2	-	9	11
Year 3	-	-	9
Year 4	-	-	-

The company must recognise a liability measured as the present value of the contributions payable that arise from the deficit recovery agreement and the resulting expense in the income and expenditure account i.e. the unwinding of the discount rate as a finance cost in the period in which it arises.

It is these contributions that have been used to derive the company's balance sheet liability of £8,924 (2023: £19,104).

26. COMPANY LIMITED BY GUARANTEE

The charitable company is limited by guarantee and has no share capital. Every member of the company undertakes to contribute to the assets of the company in the event of its being wound up, for payments of the debts and liabilities of the company, such amount as may be required, not exceeding £1.

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27. FINANCIAL INSTRUMENTS

The charity has the following financial instruments:

	Notes	31.03.24	31.03.23
		£	£
Financial assets measured at amortised cost			
- Cash and cash equivalents		**1,052,100**	774,504
- Trade debtors	15	**77,718**	630,094
- Other debtors	15	**6,829**	-
		1,136,647	1,404,598
Financial liabilities measured at amortised cost			
- Trade creditors	16	**130,090**	72,759
- Other creditors	16	**17,795**	59,683
- Individual service funds	16	**112,002**	135,038
- Accruals	16	**244,687**	239,925
- Bank loans	18	**-**	254,514
		504,574	761,919

28. RECONCILIATION OF NET INCOME TO NET CASH FLOW FROM OPERATING ACTIVITIES

	31.03.24	31.03.23
	£	£
Net movement in funds for the reporting period (as per the statement of financial activities)	**12,547**	323,400
Adjustments for:		
Depreciation charges	**12,478**	11,272
Interest payable	**11,766**	13,280
Gain on disposal of fixed assets	**(594)**	-
Actuarial losses relating to pension scheme deficit	**738**	56
Interest received	**(33,102)**	(8,985)
(Decrease)/increase in other provisions	**(10,918)**	(10,918)
(Increase)/decrease in debtors	**572,933**	(505,694)
(Decrease)/increase in creditors	**(37,715)**	(103,061)
Net cash (used in) provided by operating activities	**528,133**	(280,650)

29. ANALYSIS OF CHANGES IN NET CASH

Current year	At 31.03.23	Cash flows	At 31.03.24
	£	£	£
Cash at bank and in hand	774,504	277,596	1,052,100
Borrowings	(254,514)	254,514	-
	519,990	532,110	1,052,100

WATFORD AND DISTRICT MENCAP SOCIETY

England & Wales - Charity number 1004431

Accounts

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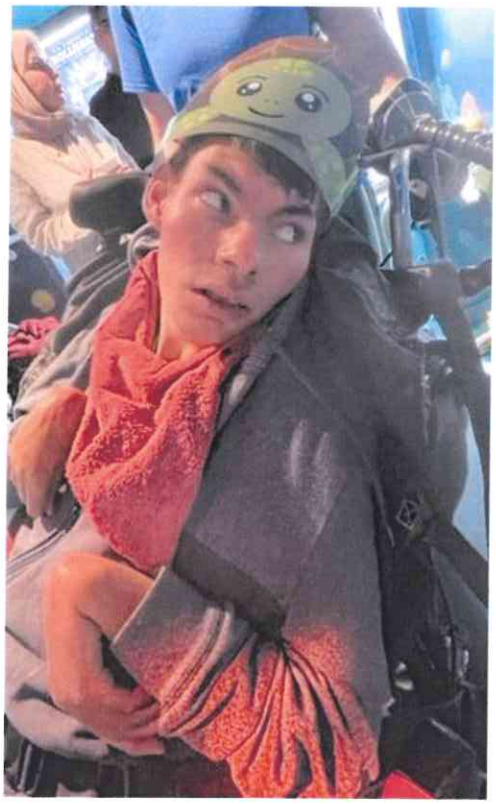
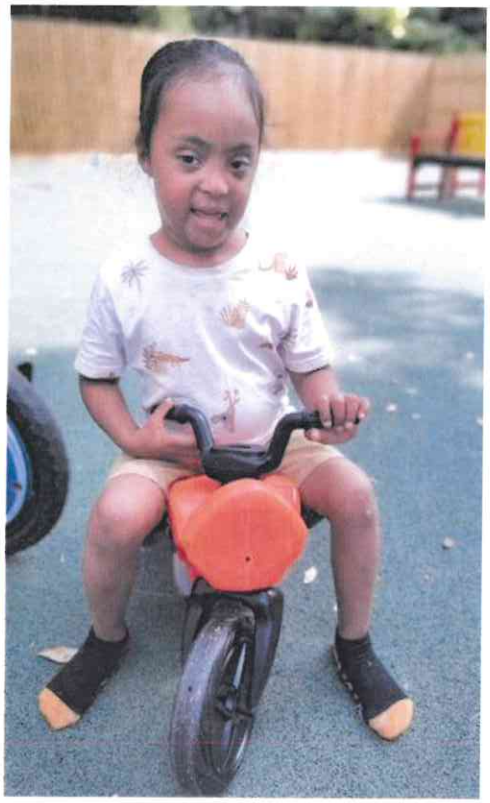
Trustee Report & Financial Statements for the year ended 31st March 2023

Registered Company Number: 02636705 (England and Wales)
A Company limited by Guarantee
Registered Charity Number: 1004431





www.watfordmencap.org.uk

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WATFORD AND DISTRICT MENCAP SOCIETY

CONTENTS OF THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2023

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WATFORD AND DISTRICT MENCAP SOCIETY

REFERENCE AND ADMINISTRATIVE DETAILS

FOR THE YEAR ENDED 31 MARCH 2023

COUNCIL OF MANAGEMENT	Mr R F Jones	(Chair)
	Mrs P Joy	(Acting Vice Chair, Treasurer)
	Mrs L C Green	
	Mrs P Robertson	
	Mr J R Teague	
	Mr J Good	
COMPANY SECRETARY	Miss J K Pattinson	
REGISTERED OFFICE	92a Langley Road Watford Hertfordshire WD17 4PJ	
REGISTERED COMPANY NUMBER	02636705 (England and Wales)	
REGISTERED CHARITY NUMBER	1004431	
INDEPENDENT AUDITORS	Mercer & Hole LLP Chartered Accountants Trinity Court Church Street Rickmansworth Hertfordshire WD3 1RT	
CHIEF EXECUTIVE	Miss J K Pattinson	
PRINCIPAL BANKER	NatWest 72 High Street Watford Hertfordshire WD17 2GZ	
WEBSITE	www.watfordmencap.org.uk	

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The trustees (also known as the Council of Management) who are also directors of the charity for the purposes of the Companies Act 2006, present their report with the financial statements of the charity for the year ended 31 March 2023. The trustees have adopted the provisions of Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their financial statements in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2019).

OBJECTIVES AND ACTIVITIES

Objectives

The charity's objects are set out in the Articles of Association and are:

> The relief of people with a learning disability in particular by the provision of help and support for them and their families, dependants and carers and to prevent or alleviate learning disabilities for the public benefit by education, research and life-enhancing medical intervention.
>
> The provision or assistance in the provision of facilities for the recreation or other leisure time occupation for people who have need thereof by reason of learning disability with the object of improving their conditions of life.

"Learning disability" means any developmental disability of the mind and any associated condition howsoever caused and whether mild, moderate or severe.

The charity aims to achieve its objects by seeking to provide user-led and person-centred services which enable people with a learning disability to make the most of life. Services are constantly under review in the light of user needs, government policy, funding availability, and changing needs and practices. Watford Mencap seeks to work with other voluntary and statutory organisations to promote the welfare of people with a learning disability.

Our Values

We are INCLUSIVE People with learning disabilities are at the heart of everything that we do.

We are RESPECTFUL We work in a person-centred way, whilst listening to the views of all.

We are WELCOMING We are approachable and value all.

We are PROGRESSIVE We promote learning to support everyone to achieve their potential.

We are CHALLENGING Through our work we will push the boundaries for individuals, organisations and society.

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OBJECTIVES AND ACTIVITIES - Continued

Our Mission

Enabling people with learning disabilities and their families to make the most of life.

To help make this happen we will

- Support people to enjoy choice and control over their own lives, to enable them to work towards fulfilling their life ambitions and to achieve their potential
- Provide a range of high quality, individually tailored services that focus on the individual and their family
- Support people to obtain their rights and to understand their responsibilities as members of society
- Recognise that people have skills, abilities and expertise and use these to inform our growth and progress
- Campaign to ensure the rights of people with a learning disability and their families are respected and to ensure that they have access to the services they need and to challenge discrimination
- Involve and include learning disabled people in evaluation and decision making at all levels within Watford Mencap

Activities

All of the charity's activities focus on the objects set out in the Articles of Association noted on page 2. It is the charity's aim to be the first port of call in South West Herts for all people with a learning disability, their families and carers. Support may be given in partnership with other relevant organisations. There are no restrictions on access to services other than the charity's capacity and capability to provide the support required to live a fulfilling life.

A life-long journey supported by Watford Mencap every step of the way

People with learning disability are one of the least understood, least visible and most vulnerable sections of our society. They are also a sizeable group.

The Improving Health and Lives (IHAL) profiles produced by the North East Public Health Observatory estimates that approximately 2.5% of the total population have some form of learning disability, which equates to an estimated 1.5 million people in the United Kingdom with a learning disability. This population is predominantly (60%) male and unknown to services; of the estimated 1.2 million adults with a learning disability in England, only 189,000 (21%) are known to local authority or health services. Around 24% of the estimated population with learning disabilities are believed to be children and 76% are believed to be adults. (IHAL, 2011).

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OBJECTIVES AND ACTIVITIES - Continued

The Summary Needs Assessment: Fulfilling Lives for People with Learning Disabilities estimates there may be 5,500 children with learning disabilities in Hertfordshire and Projecting Adult Needs and Service Information 2015 states there are 21,109 people over 18 with a learning disability in the county. This is 1.76% of the total adult population. As of December 2020, Hertfordshire County Council (HCC) adult social care were supporting 4,600 adults with learning disabilities. Public Health England 2016 states there were 22.4 per 1,000 children with a learning disability known to schools in Herts and that 2.5% of children in England have a learning disability. The Herts Learning Disability Joint Commissioning Strategy 2019-24 states only 3,000 adults with learning disabilities were receiving help from local social care services and that local doctors only have 5,000 people on their register of people with learning disabilities in Hertfordshire.

The number of people over 18 with a learning disability is predicted to increase by 9% by 2025 and the largest projected growth area over the next 10 years is in the 75-84 and 85+ age range with projected increases of 32% and 47% respectively. It was recognised very early on in the pandemic that people with learning disabilities were extremely vulnerable to Covid19 so extra caution would be required. In seeking to serve this section of society Watford Mencap has developed a wide range of services.

The pandemic meant that needs have changed and services have had to constantly evaluate not just what is needed but also what can be safely provided. Services continued to run throughout the pandemic, with large group activities restarting again in April 2022.

Services can be purchased privately by self-funders, people with individual budgets and direct payments as well as through Herts County Council (HCC) commissioned services.

Community Activities

This range of services are offered within the community and have a focus on connecting with others whilst meeting individuals' needs. The aim is to provide attractive and fun activities which promote well-being and independence. Activities are available across all age ranges and are based on feedback from people who use the services. Many charge fees that are affordable to people from their weekly income, although help with fees may be sought for those in crisis. These activities are funded largely by grant or fundraising income but may also be subsidised by reserves during start-up, funding gaps or when broadening access for hard-to-reach groups. These services can also be commissioned or paid for privately. During the year many of these services managed to return to their pre-pandemic levels with some expanding to help people who had been isolated to reconnect.

The following activities are offered:

Advice and Information

Initial and ongoing contact through the Advice and Information Service is free to all and funded through fundraising, grants, and reserves if necessary. This service provides information, supports people, and facilitates their efforts to plan their lives and access services. No distinction is made between those who might wish to access services provided by the charity and those for whom

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OBJECTIVES AND ACTIVITIES - Continued

another service provider or organisation might be more appropriate - the interests of the individual are paramount. The service started to hold a weekly open house at the Community Hub inviting people to come and reconnect with their local community as well as Watford Mencap. This has now grown to over 30 people attending each week.

The information gathered also supports Watford Mencap's campaigning work to highlight unmet needs to local authorities through the co-production groups. The National Lottery Funded Building Better Opportunities project came to an end, which reduced the team part way through the year, but they still supported 99 individual people with 141 queries resulting in 2,245 contacts.

Children

The Short Break Contract from HCC continued to enable a range of leisure activities to be delivered, including weekend sessions, 1:1 sessions and holiday activity schemes. All referrals for these services must come through the HCC Short Breaks process. Fundraising supports evening sessions as well as a group for under 5s which supports families with a stay and play session. These services continued to grow as they settled into the new community hub which enabled additional sessions to be offered in a more welcoming environment. 73 children accessed these activities across the year, attending a total of 1,061 sessions.

Young People

This contract also includes young people and enabled a range of leisure activities including a weekly youth club, weekend sessions, 1:1 sessions and holiday activity schemes for those at both school and college. Young People must come through the HCC Short Breaks Contract process which affects our ability to offer services to some people. Fundraising supports evening activities focusing on life skills such as cooking and shopping. These services were also able to grow as Covid restrictions were lifted. Like those for children, evening weekend activities continued alongside the weekly youth club. Holiday activity schemes were also available for those at school and college. 52 young people accessed these activities across the year, attending a total of 1,500 sessions.

Adults

Adults Day Opportunities – This service developed and expanded during the year, offering support to a range of individuals who often need 1:1 support. The service also started to be commissioned by the local NHS Integrated Care Board. Those accessing the service receive tailored support, enabling them to choose individual activities in their local community. Over the year the team provided over 7,591 hours of support to a total of 19 people.

Employability – The Café in the Library and training kitchen offer learning opportunities for people with learning disabilities to gain skills in all areas of the business including customer service, handling money and food hygiene. The Café managed a full year of trading although the way of life has changed in the local community, meaning the team are still learning people's new preferences.

During the year 13 people accessed these services attending 363 sessions.

The charity also provides volunteering opportunities for people with learning disabilities to gain retail, administration, and customer care skills. The shop and other trading initiatives provide opportunities to many volunteers, some of whom have a learning disability.

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OBJECTIVES AND ACTIVITIES - Continued

Leisure Activities –

The monthly Nightclub continued, including a move to POPWORLD and a new Social Hub started on a Tuesday evening for those living in the community. In total 102 people accessed these activities across the year, attending a total of 833 sessions.

Having your Say – Watford Mencap continues to host the Hertfordshire county-wide network that supports people with profound and multiple learning disabilities and their carers. Any feedback received is passed on to the local authority through the relevant networks.

Watford and Three Rivers Learning Disability Local Area Forum is hosted and facilitated by the charity. The Forum focused on local and national topics linking with the local authority to raise issues.

Watford Mencap has a service user and carer base of over 1,210 people with learning disabilities and their carers for its various services. The charity aims to raise awareness of learning disability among the wider population, and of the existence of the charity and the services it provides to those with learning disabilities, their families and carers, as well as other relevant professionals. The charity aims to act as a central point of contact in relation to learning disability in South West Herts, providing information, contacts, advice and, where relevant and possible, services, to all who need them.

Services at Home

This range of services are offered in people's homes supporting them in their daily lives to gain independence and to promote choice and control.

1:1 Support in your own Home

The Care and Support Agency provides individualised and person-centred support for people with learning disabilities within the local community. People can be supported with a range of everyday activities, some practical, others more focused on social skills and learning. This service also supports children as part of our Short Break offer. All work is focused on enablement and helping people to maximise their independence. Work remained sporadic for the team as the pandemic continued and some clients declined a service. The team provided over 6,842 hours of support to a total of 56 people with learning disabilities.

24-Hour support in your own Home

The Supported Living team supports 10 people living in 4 different properties across South West Herts. Funding for individuals is from various sources including Individual Service Funds and commissioned hours from HCC's Supported Living Framework. During the year the focus was getting people back out into the community and a return to some sense of normality. The team has kept everyone safe and provided 28,007 hours of support.

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OBJECTIVES AND ACTIVITIES - Continued

24-hour support in a Registered Care Home

18 people are supported in 3 registered care homes run by Watford Mencap. Many people have lived in their home for many years and receive support in all aspects of their life. Care homes continued to be identified as posing a higher risk to individuals during the pandemic, so teams worked hard to maintain infection control and manage Covid outbreaks. The residents' needs have continued to increase, with teams adapting their practices and the environment, to support them. Recruiting new workers was a challenge but the teams kept everyone safe and provided 58,113 hours of support.

Public benefit

In planning and reviewing the above activities, the Council of Management have given careful consideration as to whether they have complied with the duty in section 17 of the Charities Act 2011 to have due regard to the public benefit guidance published by the Charity Commission.

The members, staff and volunteers of Watford Mencap strongly believe in the importance and worth of every individual in our society. The aim inherent in all of the charity's activities is to enable and facilitate the ability of people with a learning disability to make the choices that most of us take for granted. By making a contribution to this aim, the charity provides a public benefit of not only alleviating the potential distress and waste of individuals frustrated by the inability to lead a fulfilling life and the associated impact on their families and carers, but also, in some small way, to make society more tolerant, compassionate and inclusive.

Staff and volunteers

Watford Mencap benefits greatly from the commitment of its 172 paid staff. It also benefits from the support of a number of volunteers in the office, trading and fundraising activities, leisure services and community hub. The contribution of the 54 regular helpers and volunteers who worked with the charity over the year is estimated to be approximately 3,018 hours (representing the equivalent of approximately 1.54 full-time staff) and their contribution is gratefully acknowledged. Throughout the pandemic and beyond we have continued to be supported by a wide range of helpers who donate regular time to help in the garden, at fundraising events and to support our projects. We estimate this additional help from our helpers and supporters to be 216 hours, the approximate equivalent of another 0.1 members of staff. We are truly thankful for this and would not have been able to sustain our projects without this very generous support.

Lower than normal social care sector turnover of front-line staff and a consistent senior management team continue to be a significant achievement for the charity, however the last year has seen a much greater turnover of staff than usual for the organisation and a greater reliance of agency staffing to ensure we can meet minimum staffing levels in our projects. The national social care recruitment and retention crisis is a very significant challenge in South West Herts. It is very important to the people and families that the charity supports to know and trust the staff and volunteers. A dedicated team of casual workers work alongside contracted staff, volunteers and regular agency workers to help the charity achieve this consistency of support.

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REVIEW OF THE PAST YEAR

At the beginning of 2022 we still had a strong focus on keeping people safe and well, all of our Covid 19 measures remained in place for several months and our thanks must go to everyone that played a part in keeping everyone safe and well. Our infection rates remained low, and we continued to run Covid secure services. We celebrated the restart of our weekly Friday coffee mornings at 92a and our monthly club nights in Watford. It was lovely to be able to safely bring large groups of people together again. In June 2022 we held a combined AGM and official opening of 92a Langley Road and over 250 people enjoyed the celebration day. In Spring 2023 we stopped wearing masks on a day-to-day basis, in July 2023 we ceased workforce lateral flow testing, however we remain vigilant as Covid cases have recently started to rise again.

Staffing

Having retained all of our managers during Covid we were then faced with a higher management turnover than we have ever experienced before. With the loss of experienced managers and the ongoing recruitment crisis in social care, we faced a significant staffing challenge. In November 2022 our vacancy rate hit a high of 38%. The impact of Covid, fatigue and its effect on staff wellbeing was significant, sadly some people chose to move out of social care, take retirement or to take a break. We continue to work incredibly hard to support our staff with HR (Human Resource) and day to day management support, access to free confidential helplines, additional training and showing our appreciation and acknowledging the exceptional work as people continue to support others in the most challenging circumstances. Very sadly what faced Watford Mencap was common within social care at both a local and national level and impacted significantly on the ability to recruit staff.

For several months it was an extreme challenge to staff our residential homes and supported living, we used significant amounts of agency staff and relied heavily on our casual bank along with our own staff working overtime. We maintained contractual staffing levels, but this placed extreme pressure on our workforce and led to a reprioritisation of our work.

One positive from our management turnover was the internal promotion and movement of several staff members into new management development positions accompanied by intensive senior management support, our Inspire leadership programme and for several new managers the start of level 4 and 5 management qualifications. This succession plan helped to stabilise our management team and by March 2023 our vacancy rate had fallen from 38% to 8%. We welcomed Lorrain Barratt's move from supported living to manage Thorpedale, Hollie James became the development manager at the café and Sarah Sullivan the manager of our community and children's activities. We were extremely thankful to Siani Avent who stabilised Hillside until Paul Morris an experienced registered manager joined us in January 2023. The increased funding from HCC for Hillside has also enabled us to create a new deputy manager position and we welcomed Sylwia Bosek to the team in June 2023.

Lynsey Sale joined as our new office manager and executive assistant in July 2022, Dipika Thakrar as our new finance manager and Laureen Roberts our new fundraiser both in January 2023. We also took the opportunity to reflect on how we managed our Care and Support agency and supported living services and created a new position of outreach manager, this appointment was made in July 2023.

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REVIEW OF THE PAST YEAR - Continued

Our decision to increase the hourly rates of front-line staff to £11.50 and £12 an hour from January 2023 had a major impact in helping us reach this reduced 8% vacancy level. Our recruitment and retention strategy was successful, we had benchmarked our frontline support worker and personal assistant salaries to the top quartile of local social care providers and above the local retail and hospitality rates of pay. This increase in hourly rates supported by the continuation of our values-based recruitment and our extensive staff training programme (including the move this year to Click online training) and the introduction of our Care Friends employee and reward scheme in December 2022, have all helped to attract and retain workers.

Care Friends also enables us to reward staff for picking up shifts at short notice, reducing agency spend and ensuring greater continuity of support. Our staff forum also launched our People's Choice award, rewarding and acknowledging staff, whose work truly reflects our values, for going above and beyond. Nominations have grown every quarter with families, people we support, staff and managers all nominating staff members who are all thanked for their exceptional contribution.

With so many new staff it has been a year of significant change for Watford Mencap, we have invested in team days, induction, training and team building to enable people to settle into their new roles. We now have new induction lunches, held a Christmas curry for staff and facilitated events such as a Jubilee party and Christmas celebration day. We have built up a committed workforce, many of whom can now happily work across a range of projects, enabling us to resource projects more effectively and efficiently.

Impact on quality

In September 2022 our Hillside project was rated inadequate following an unannounced CQC (Care Quality Commission) inspection. We were shocked as HCC had rated the project as good in the previous month and we challenged the inspection. We later also made a complaint to CQC about the style of the inspection. Some acknowledgement was given to our concerns and some apologies received, however the complaint itself was not upheld. Regardless, however, of any issues with the inspection itself, we aim to maintain the very highest standards of care for our residents. It is fundamental to our values that we undertake our work as well as we possibly can and meet the expectations of not only our residents but all regulatory bodies. Following the inspection, we produced a very detailed service improvement and audit plan, which we have used to document improvements and changes we have made to all of our CQC registered services. We were pleased that when CQC returned in February 2023 that they spent time talking with residents and families and that they then acknowledged the progress that had been made. We wait for a full inspection where our ratings can now be reviewed again.

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REVIEW OF THE PAST YEAR - Continued

An unannounced CQC inspection at Thorpedale led to a "requires improvement" rating, our Berrywood and outreach services have had satisfactory assessments and their ratings remain good. It seemed that after several years of absence during Covid CQC expectations had changed, whilst at the same time Watford Mencap faced an extreme staffing challenge and several years of not being able to carry out the maintenance and refurbishment work that we had wanted on properties due to Covid restrictions.

For the previous 4 years we had been asking HCC to assess Hillside and Thorpedale residents' needs, as we believed the projects were significantly underfunded. This work was completed following the CQC inspections. In March 2023 we received a significant uplift in the weekly bed price at Hillside to reflect the true costs of the care we provide alongside a payment from the sustainability fund in recognition of the extent to which the projects had been underfunded in the past. HCC are also now considering an application made in July 2023 for a significant rise in the bed price at Thorpedale to enable the service to meet residents' changing needs. We were relieved and greatly appreciated the sustainability funding, which meant that both projects could look forward to a sustainable future. We are excited to be working with HCC to consider significant changes to the environment at Thorpedale to enable the project to provide ongoing support to people's changing needs. We hope this reconfiguration and funding will now enable voids to be filled in each care home.

Project achievements

Despite being faced with significant staffing and CQC challenges we managed to deliver 4,000 more hours of support this year along with completing a significant refurbishment of the ground floor at our Berrywood residential care home in Mill End, Rickmansworth. Herts Care Providers Association nominated us for the most innovative learning disability provider at the annual Care Awards and the Advice Quality Mark assessment and Investors in People assessments went very well, enabling us to retain both of those quality marks. We also secured our place on the HCC day opportunities framework and received a significant grant from the Wolfson Foundation that covered the costs of the replacement conservatory on 92a. We were kindly donated an accessible vehicle by a local family, started the renegotiation of the Bushey shop lease which expires in September 2023 and have continued to implement our Doing It Together project plan.

Services settled into 92a Langley Road, and the stage 2 and 3 building refurbishment was completed. We also submitted a successful planning pre-application to Watford Council for the next stage of play barn and garden works and commenced a partnership with the Groundworks charity to help us complete this next stage of this garden work by Easter 2024. We enjoyed a new close working relationship with West Herts College, having regular support in the garden from students and 2 interns with us throughout the year for 2 days per week working in the office and helping to run our weekly coffee morning. Our café and training kitchen trainees have baked and prepared healthy treats each week to support the coffee morning which regularly has over 40 people coming along to meet and make friends, whilst getting help and support from our advice and information service.

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REVIEW OF THE PAST YEAR - Continued

It is wonderful to see the building at 92a turning into a community hub. The move has exceeded all our expectations and gives the people that we support so many new experiences and opportunities. Having our office amongst our services and the people we support is such a positive experience for everyone.

New mobile and VOIP (Voice Over Internet Protocol) phone systems and cloud-based working have helped ensure that we can communicate well, the historical problems of IT at Hillside have also been sorted with new broadband supply, new infrastructure and cabling. Playskill continued to use the activity space at 92a until September 2023, when they moved to the Stanborough Centre, a new venue with more space. They will continue to lease office space on our 2nd floor until November 2023. We were also very pleased to launch a new Bumble club for under 5s working in partnership with Watford and Three Rivers Home Start.

Trustees recommenced project visits, once Covid restrictions were removed. We set up a new operations subcommittee to give trustees and senior staff more time to meet together and welcomed John Good to become a trustee after many years as a co-opted advisor on our audit committee. We said goodbye and thank you to trustee Melvyn Enoch and welcomed Nicola Cowap as a co-opted advisor, who we hope will become a trustee at our 21st October 2023 AGM. We are also currently working with Langton Not 4 Profit a recruitment agency on a trustee recruitment campaign.

FUNDRAISING ACTIVITIES

Watford Mencap is an independent local charity that is responsible for raising all its own funding to support local people with learning disabilities. Although affiliated to the national Royal Mencap charity, it receives no funding from them other than grants they distribute on behalf of other funders.

The charity's small team manages a portfolio of activities that generate income to fund the projects we believe are of value to our clients, but which do not attract local authority funding. By engaging in a variety of fundraising methods we believe that we are reducing our risk and ensuring we do not become over-reliant on a single source of income generation.

Our biggest fundraising source remains grants and trusts and we are grateful for the support of the Gannett Foundation, Marks & Spencer, Watford & Three Rivers Trust, Hertfordshire County Council (Family & Health Services Commissioning team and the Community and People Wellbeing team) and Hertfordshire Community Foundation.

We were thrilled to bring back the Watford 10k and Santa Dash as face-to-face community events in 2022 and we are grateful to Warner Brothers Studios Leavesden for their continued support for our two main fundraising events each year. The volunteers who support these two events are invaluable and help make the runs accessible and inclusive to all. Both events enjoyed the support of local dignitaries Watford Mayor Peter Taylor and Dean Russell MP.

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FUNDRAISING ACTIVITIES – Continued

In addition, we held several smaller community events such as the Rickmansworth Pancake Race and a Jubilee party. The fundraising team have a programme of events planned for the coming months and hope to build on the positive networks and community support that have been built since the move to 92a.

Atria Shopping Centre hosted a number of events to help raise funds and we were a beneficiary of their Give A Gift Appeal which is co-sponsored by Heart Hertfordshire Radio. Community groups such as Bushey & Oxhey Round Table and Shrimad Rajchandra Mission Dharampur (UK) have donated time and gifts.

We introduced a community lottery this year, which is proving popular and provides an opportunity for growth and engagement with people who do not usually support the charity.

We really treasure our strong relationship with several local businesses such as Camelot, Warner Bros Studios Leavesden, TK Maxx and Homesense Foundation, Marshall Vizard and Veale Wasbrough Vizards who provide us with financial, technical and practical support.

We are also grateful to individual members of the local community that support us. Many make regular donations to us but prefer to remain anonymous.

We spent time this year to update our online presence, both as a fundraising tool as well as marketing our services and job opportunities. Engagement with our social media posts is increasing and we will use that momentum as part of our improved communication with supporters.

Our Bushey charity shop continues to be a thriving community asset that attracts quality donations resulting in vital income for the charity. The staff and volunteers are dedicated to maximising income and being the face of the charity to customers from the local area. We appointed a casual shop worker in July 2023 which enables the shop to be open 6 days per week. Early signs are positive that this is a good investment that will increase income that can support our activities.

We take great care to ensure that all our fundraising activities comply with the Fundraising Regulator's voluntary regulation scheme. The activities of our fundraising team are monitored by the fundraising manager and the chief executive. The team also works closely with supporters who wish to raise funds for the charity, providing support and guidance to ensure that events held in aid of our charity meet the requirements of the scheme. We seek to work in partnership with our supporters and to develop a long-term relationship with them. To this end, we consciously avoid exerting undue pressure on potential donors and do not participate in direct mailing or telephone solicitations. The fundraising team actively seeks feedback on its activities, both positive and negative, in order to keep improving our performance. We have a procedure to investigate any formal complaints received. This year we received no complaints about our fundraising activities.

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FINANCIAL REVIEW

Financial position

The charity ended the year with an overall surplus of £323,400.

The charity aims to achieve an operating surplus each year. Building and maintaining an adequate level of reserves and ensuring financial stability is a key objective for its management team and they have been very successful in doing so.

In 2021-22 the charity suffered an operating loss due to the costs incurred during the pandemic and increasing costs in residential care which were not covered by a commensurate increase in the funding available from HCC.

The return to operating surplus in 2022-23 was due entirely to HCC's recognition that the fees being paid in some of the residential homes were such as to render those homes financially unsustainable in the long run. The money provided by HCC from its sustainability funds to compensate for historical underfunding was extremely welcome. Looking forward, we are optimistic that the new, more realistic, bed prices will enable Watford Mencap to provide high-quality residential care services for the foreseeable future.

It remains the case, however, that providing a good level of care requires committed, well-paid staff and the entire sector remains vulnerable as a result of central government failure to tackle the issue of social care and its funding. A number of residential care homes in Hertfordshire have closed in the past year as a result. After an election due, at the latest, by the end of 2024, we hope that the incoming government will address this as a matter of urgency and provide the sector with some long-term stability.

Further detail is provided in the notes to the financial statements and the reserves section regarding the restricted funds (funds legally restricted to specific projects); general funds (unrestricted); and designated funds (set aside by the Society for specific purposes).

Voluntary/other income covers all non-statutory sources of income, primarily fundraising, grants, legacies, donations, fees, rent, charity shop and trading. These sources of income accounted for 20% (2021/22: 19%) of the charity's total income during the period.

The Individual Service Funds are received by the charity on behalf of the fund-holder and expended on services of the fund-holder's choice, be they Watford Mencap services or provided by some other organisation or individual. These funds do not impact the charity's year end results or the level of reserves.

The financial outlook remains challenging at the operating level with the need to complete the garden works at 92a Langley Road, Thorpedale reconfiguration, staffing challenges and the ongoing pressure on statutory funding sources expected to continue for several years. HCC remains the primary source of contract income in the year accounting for 80% (2021/22: 81%) of the charity's total income during the period.

The charity continues to seek other sources of income, particularly through diversifying fundraising activity and expansion to the fundraising team in January 2023, as well as continuing to develop structures and systems in order to be as cost efficient as possible.

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FINANCIAL REVIEW – Continued

As noted above, the market in which the charity operates is becoming increasingly challenging. In the face of the national and ongoing social care recruitment and retention challenge, the Society has agreed a deficit budget for 2023-24. We currently see no need to review service provision at present. While the financial position is satisfactory, planning for future years with ongoing pressures to statutory funding is extremely difficult.

Investment policy and objectives

Aside from retaining a prudent amount in reserves each year, most of the charity's income is spent on the provision of services. Cash balances are held in bank current or deposit accounts or put on fixed term deposit. Investment income was £8,985 compared with £6,639 in 2021/22.

The Investment Policy is for long-term reserves to be deposited or invested to grow at least in line with inflation, at low risk to capital. The remainder of reserves have an investment objective of preserving the capital value with a minimum level of risk.

Reserves policy

The Society had reserves of £2,791,664 at 31 March 2023 of which £62,086 was restricted, £2,246,936 was designated (which includes fixed assets) and £482,642 represented the unrestricted general funds.

The charity's Council of Management consider that it should hold reserves to cover the cost of re-housing Service Users in the event that no further income is provided to Watford Mencap for the Support at home, housing services. In order to be able to realise the value of the freehold properties, it would be necessary to re-furbish and/or remodel the existing accommodation. There would be redundancy and related staff costs if the charity were to close these services, as well as exit costs relating to termination of services, property leases, dilapidations, etc.

Taken together, these costs are estimated to be equivalent to 6 months' operational expenditure.

Budgeted expenditure for 2023-24 is £3.7m and on this basis, the unrestricted reserves should therefore be £1.9m which is comfortably covered by the actual figure of £2,729,578.

Auditor

The company's auditor, Mercer & Hole, incorporated on 1 October 2022 to become Mercer & Hole LLP. The directors have consented to treating the incorporation of Mercer & Hole LLP as a continuation of the existing audit arrangement and in accordance with the company's articles, a resolution proposing that Mercer & Hole LLP be reappointed as auditor of the company will be put at a General Meeting.

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FUTURE PLANS

In preparing the plans for 2023/24, a number of factors were considered:

- The current policy and regulatory environment concerning social care and learning disability
- The demographic outlook and changing needs of the local population
- The impact of the external environment on Watford Mencap
- The need to roll forward the objectives from previous years which were not achieved but remain relevant
- The actions identified as priorities by the risk management process
- The actions required to sustain and improve individual services

We were able to return to our usual face to face trustee and senior management team strategy and business planning days facilitated by Katie Thorpe, an external facilitator. We also considered a range of current stakeholder feedback, including our graphic facilitation events, feedback from our regular coffee mornings, staff forum and management team. This resulted in an update of the charity's 5-year plan and the setting of priority areas of work for the 2023-24 Business Plan.

Our vision for the next year

Doing It Together - People with learning disabilities will be at the heart of everything thing we do

- **Living our values**

We will remain a strong and vibrant charity, living our values, involving people with learning disabilities, so we continue to provide high quality support to people with learning disabilities and their carers.

- **Serving our community**

Our work is primarily based in Watford, Three Rivers and Hertsmere. We are open to opportunities beyond this area through new partnerships, where these are beneficial to the aims of Watford Mencap and the people we support – or there is evidenced need and available funding.

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FUTURE PLANS – Continued

- Being person centred

We offer a range of services and support options from cradle to grave with an emphasis on enhancing people's skills and ability to take personal responsibility. We want to ensure people are active, valued members of society who are supported by a range of services within their local community.

- Targeting our influence

We proactively seek opportunities to develop new services, funding, and new ways of influencing/ campaigning for people with learning disabilities.

- Evolving our services

Our services will continue to evolve to enable them to meet the needs of an increasing population with more complex and higher needs.

- Valuing our people

We will develop and support our skilled and committed workforce to be customer focused, flexible, proactive, and responsive to people's needs.

Volunteers are an integral part of our workforce.

- Building the infrastructure

Our developing service delivery will be supported and sustained by a responsive, flexible, and resilient infrastructure.

- Securing funding

Our Commissioned Services will be self-funding and open to possibilities of new opportunities. A robust and responsive fundraising and income generation strategy will generate income to support the expansion of our advice and information and learning and leisure non-commissioned services.

Practically this sits as 4 key areas of focus on our 2023/24 business plan

- Serving our Community
- Valuing and supporting our staff and volunteers
- Living our values
- Evolving our services

All within the challenges of managing and working with the aftermath of the Covid 19 pandemic and within the national social care recruitment and retention crisis.

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STRUCTURE, GOVERNANCE AND MANAGEMENT

Governing document

Established in the 1950s, the organisation is a charitable company limited by guarantee, incorporated on 9 August 1991 and originally registered as a charity on 15 October 1991. The company was established under a Memorandum of Association, which sets out the object and powers of the charitable company and is governed under its Articles of Association. In the event of the company being wound up, members are required to contribute an amount not exceeding £1. There were 52 members as at 1 April 2023.

Recruitment and appointment of trustees (Council of Management)

The directors of the company are also charity trustees for the purposes of charity law and under the company's Articles are known as members of the Council of Management. Under the requirements of the Memorandum and Articles of Association, the members of the Council of Management are elected to serve for a period of three years, after which they must be re-elected at the next Annual General Meeting.

A full list of members of the Council of Management who served during the year and up to the date of this report is set out on page 1. Mindful of the focus of the charity's work on the needs of those with learning disabilities and their families, the Council of Management seeks to ensure that user and carer views are represented alongside wider business and organisational skills on the Council of Management.

Organisational structure

The Council of Management consists of up to 12 members who meet quarterly and are who are responsible for the strategic direction of the charity. At 1 April 2023, the Council of Management had 6 full members and 2 co-opted advisors - drawn from a variety of backgrounds relevant to the work of the charity - including family carers.

Day to day responsibility for provision of the services is delegated to the Chief Executive who leads the Senior Management Team. This team is responsible for ensuring that the charity delivers the business plan and that key performance indicators are met.

A new Operations subcommittee was formed in February 2023 giving senior managers and trustees more time to explore operational issues and developments.

Monitoring of operational performance is undertaken by the Finance and Audit Committee and Operations Committee as well as the Council of Management.

Induction and training of trustees (Council of Management)

A trustee induction pack and programme are in place to ensure that all new trustees and co-opted advisors are made aware of their roles and responsibilities. This includes helping them understand their role and duties; providing copies of relevant documentation such as the Memorandum and Articles of Association, Business and Operational Plans, and accounts; and visiting sites and services, including meeting all senior managers, and ensuring compliance with the 2017 Code of Governance.

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STRUCTURE, GOVERNANCE AND MANAGEMENT - Continued

Royal Mencap

Watford Mencap is an independent charity, affiliated to the umbrella organisation Royal Mencap. Watford Mencap pays an annual affiliation fee for the right to use the Mencap name and must also comply with the requirements of the Royal Mencap Partnership Agreement which sets out minimum standards in terms of policies and procedures for organisations using the Mencap name.

There is no financial support from the national organisation, but it does have the power, under the Articles of Association, to dismiss trustees who bring the Mencap name into disrepute.

Risk management

The Council of Management regularly reviews the major risks to which the charity is exposed. A risk register outlines these risks, and the systems, procedures or actions to be taken in mitigation. The register is regularly updated, is reviewed quarterly by the Finance and Audit Committee and Council of Management and is included in the annual Business Plan.

External risks to funding are constantly monitored and alternative income sources sought. Regulatory and legal requirements are implemented and monitored to ensure the delivery of consistently high-quality services. Internal control risks are minimised by strict authorisation and monitoring procedures.

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STATEMENT OF TRUSTEES RESPONSIBILITIES

The trustees (who are also the directors of Watford and District Mencap Society for the purposes of company law) are responsible for preparing the Report of the Trustees 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. Under company law the trustees must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the charitable company and of the incoming resources and application of resources, including the income and expenditure, of the charitable company 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 Charity SORP 2019 (FRS 102);
- make judgements 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 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 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 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 auditors are unaware; and
- The trustees have taken all the steps that they ought to have taken in order to make themselves aware of any relevant audit information and to establish that the auditor is aware of that information.

AUDITORS

The auditors, Mercer & Hole LLP, will be proposed for re-appointment at the forthcoming Annual General Meeting.

This report has been prepared in accordance with the special provisions of Part 15 of the Companies Act 2006 relating to small companies.

Approved by order of the board of trustees on 24/10/2023 and signed on its behalf by:

DocuSigned by:
Roger Jones
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Mr R F Jones - Chair

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REPORT OF THE INDEPENDENT AUDITORS TO THE MEMBERS OF

WATFORD AND DISTRICT MENCAP SOCIETY

Opinion

We have audited the financial statements of Watford and District Mencap Society for the year ended 31 March 2023 which comprise the statement of financial activities, the balance sheet, the statement of cash flows and the notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the charitable company's affairs as at 31 March 2023 and of its incoming resources and application of resources, including its income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

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

Conclusions relating to going concern

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

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

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

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Other information

The other information comprises the information included in the trustees annual report, other than the financial statements and our auditor's report thereon. The trustees are responsible for the other information contained within the annual report. 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. 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 course of 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 this gives rise to a material misstatement in the financial statements themselves. 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.

Opinion 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 directors' report) for the financial year for which the financial statements are prepared is consistent with the financial statements; 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 charitable company and its environment obtained in the course of the audit, we have not identified material misstatements in the report of the trustees.

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:

- adequate accounting records have not been kept by the charitable company, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of trustees' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit; or
- the trustees were not entitled to prepare the financial statements in accordance with the small companies' regime and take advantage of the small companies' exemptions in preparing the directors' report and from the requirement to prepare a strategic report.

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Responsibilities of trustees

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

In preparing the financial statements, the trustees are responsible for assessing the 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 charitable company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in 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 specific procedures for this engagement and the extent to which these are capable of detecting irregularities, including fraud is detailed below.

Explanation as to what extent the audit was considered capable of detecting irregularities including fraud

We obtained an understanding of the legal and regulatory frameworks within which the charitable company operates, focusing on those laws and regulations that have a direct effect on the determination of material amounts and disclosures in the financial statements. The laws and regulations we considered in this context were the Companies Act 2006, the Charities Act 2011, together with the Charities SORP (FRS 102). We assessed the required compliance with these laws and regulations as part of our audit procedures on the related financial statement items. In addition, we considered provisions of other laws and regulations that do not have a direct effect on the financial statements but compliance with which might be fundamental to the charitable company's ability to operate or to avoid a material penalty. We also considered the opportunities and incentives that may exist within the charitable company for fraud. The laws and regulations we considered in this context for the company's operations included, but were not limited to, CQC regulations for health and social care services.

We evaluated management's incentives and opportunities for fraudulent manipulation of the financial statements and the financial report (including the risk of override of controls), and determined that the principal risks were related to posting inappropriate entries including journals to overstate revenue or understate expenditure and management bias in accounting estimates.

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Audit procedures performed by the engagement team included:

- discussions with management, including considerations of known or suspected instances of non-compliance with laws and regulations and fraud;
- gaining an understanding of management's controls designed to prevent and detect irregularities; and
- identifying and testing journal entries.

Owing to the inherent limitations of an audit, there is an unavoidable risk that we may not have detected some material misstatements in the financial statements, even though we have properly planned and performed our audit in accordance with auditing standards. For example, the further removed non-compliance with laws and regulations (irregularities) is from the events and transactions reflected in the financial statements, the less likely the inherently limited procedures required by auditing standards would identify it. In addition, as with any audit, there remained a higher risk of non-detection of irregularities, as these may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal controls. We are not responsible for preventing non- compliance and cannot be expected to detect non-compliance with all laws and regulations.

A further description of our responsibilities is available on the Financial Reporting Council's website at: https:// www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditor's report.

Use of our report

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

The maintenance and integrity of the Watford and District Mencap Society website is the responsibility of the trustees; the work carried out by the auditors does not involve consideration of these matters and, accordingly, the auditors accept no responsibility for any changes that may have occurred to the financial statements since they were initially presented on the website.

DocuSigned by:
Jolene Upshall
27DC21325673435...

Date: 24/10/2023

Jolene Upshall FCA Senior Statutory Auditor
for and on behalf of Mercer & Hole LLP
Trinity Court
Church Street
Rickmansworth
Hertfordshire
WD3 1RT

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WATFORD AND DISTRICT MENCAP SOCIETY

STATEMENT OF FINANCIAL ACTIVITIES (INCLUDING INCOME AND EXPENDITURE ACCOUNT)

FOR THE YEAR ENDED 31 MARCH 2023

	Notes	General funds	Designated funds	Restricted funds	Total funds 31.03.23	Total funds 31.03.22
		£	£	£	£	£
INCOME						
Donations and legacies	3	**48,165**	-	-	**48,165**	74,005
Charitable activities	6					
From public authorities		**2,419,345**	-	**317,192**	**2,736,537**	2,397,652
Grants		**15,474**	-	**114,871**	**130,345**	131,773
Rental income		**192,286**	-	-	**192,286**	112,303
Fees for using facilities and services		**169,101**	-		**169,101**	124,892
Café income		**46,115**	-	-	**46,115**	21,321
Other trading activities	4	**79,538**	-	-	**79,538**	79,184
Investment income	5	**8,985**	-	-	**8,985**	6,639
Other income		-	-	-	-	1,662
Total		**2,979,009**	-	**432,063**	**3,411,072**	2,949,431
EXPENDITURE						
Cost of Raising funds	7					
Fundraising activities		**56,864**	-	-	**56,864**	73,539
Other trading activities		**45,008**	-	-	**45,008**	50,553
Charitable activities	8					
Advice and information		**18,203**	-	**21,000**	**39,203**	90,714
Learning and leisure		**602,245**	-	**28,369**	**630,614**	595,837
Right support		**1,968,733**	**52**	**347,142**	**2,315,927**	2,329,320
Total		**2,691,053**	**52**	**396,511**	**3,087,616**	3,139,963
Net income/(expenditure)	9	**287,956**	**(52)**	**35,552**	**323,456**	(190,532)
Exceptional Item	10	-	-	-	-	(198,081)
Transfers between funds	21	**148,229**	**(148,229)**	-	-	-
OTHER RECOGNISED GAINS						
Release of sleep-in payments provision	19	-	-	-	-	165,600
Actuarial (losses)/gains relating to pension scheme deficit	19	**(56)**	-	-	**(56)**	56,014
Gain on disposal of fixed assets		-	-	-	-	352,200
Net movement in funds		**436,129**	**(148,281)**	**35,552**	**323,400**	185,201
RECONCILIATION OF FUNDS						
Total funds brought forward	13	**46,513**	**2,395,217**	**26,534**	**2,468,264**	2,283,063
TOTAL FUNDS CARRIED FORWARD	20	**482,642**	**2,246,936**	**62,086**	**2,791,664**	2,468,264

All income and expenditure has arisen from continuing activities.

The notes form part of these financial statements

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WATFORD AND DISTRICT MENCAP SOCIETY

BALANCE SHEET

AT 31 MARCH 2023

	Notes	31.03.23 £	31.03.22 £
FIXED ASSETS			
Tangible assets	14	**2,185,252**	2,196,524
CURRENT ASSETS			
Debtors	15	**681,118**	175,424
Cash at bank		**774,504**	1,059,449
		1,455,622	1,234,873
CREDITORS			
Amounts falling due within one year	16	**(579,989)**	(679,154)
NET CURRENT ASSETS		**875,633**	555,719
TOTAL ASSETS LESS CURRENT LIABILITIES		**3,060,885**	2,752,243
CREDITORS			
Amounts falling due after more than one year	17	**(250,117)**	(254,013)
PROVISIONS	19	**(19,104)**	(29,966)
NET ASSETS		**2,791,664**	2,468,264
FUNDS	21		
Unrestricted funds		**2,729,578**	2,441,730
Restricted funds		**62,086**	26,534
TOTAL FUNDS		**2,791,664**	2,468,264

These financial statements have been prepared in accordance with the special provisions of Part 15 of the Companies Act 2006 relating to small charitable companies.

24/10/2023

The financial statements were approved by the Board of Trustees on ..... and were signed on its behalf by:

DocuSigned by:
Roger Jones
F6302B3CE1A348F...

Mr R F Jones –Trustee (Chair)

DocuSigned by:
Pauline Joy
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Mrs P Joy –Trustee (acting Vice Chair, Treasurer)

REGISTERED COMPANY NUMBER: 02636705 (England and Wales)
REGISTERED CHARITY NUMBER: 1004431

The notes form part of these financial statements

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WATFORD AND DISTRICT MENCAP SOCIETY

CASH FLOW STATEMENT

FOR THE YEAR ENDED 31 MARCH 2023

	Notes	31.03.23 £	31.03.22 £
Cash flows from operating activities:			
Net cash (used in) provided by operating activities	28	**(280,650)**	(704,170)
Interest paid		**(13,280)**	(30,897)
Cash flows from investing activities:			
Interest received		**8,985**	6,639
Acquisition of property	14	**-**	(131,569)
Proceeds on disposal of property	14	**-**	1,107,089
Net cash provided by (used in) investing activities		**8,985**	982,159
Cash flows from financing activities:			
Repayment of bank loans	18	**-**	(780,200)
Proceeds from new bank loans	18	**-**	-
Net cash (used in) provided by financing activities		**-**	(780,200)
Change in cash and cash equivalents in the reporting period		**(284,945)**	(533,108)
Cash and cash equivalents at the beginning of the reporting period		**1,059,449**	1,592,557
Cash and cash equivalents at the end of the reporting period		**774,504**	1,059,449

The notes form part of these financial statements

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1. COMPANY INFORMATION

Watford and District Mencap Society is a public benefit entity registered as a charity in England and Wales and a company limited by guarantee. It was incorporated on 9 August 1991 (company number: 02636705) and registered as a charity on 15 October 1991 (charity number: 1004431).

The company was established under a Memorandum of Association which established the objects and powers of the charitable company and is governed under its Articles of Association.

In the event of the charitable company being wound up, members are required to contribute an amount not exceeding £1 each.

The registered office of the charity is: 92a Langley Road, Watford, Hertfordshire, England, WD17 4PJ.

2. ACCOUNTING POLICIES

Basis of preparing the financial statements

The financial statements of the charitable company, which is a public benefit entity under FRS 102, have been prepared in accordance with the Charities SORP (FRS 102) 'Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their financial statements in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2019)', Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' and the Companies Act 2006. The financial statements have been prepared under the historical cost convention. Assets and liabilities are initially recognised at historical cost or transaction value unless otherwise stated in the relevant accounting policy note(s).

As permitted by the Charities Act 2011 and Companies Act 2006, the year end per the financial statements is within seven days of the Accounting Reference Date of 31 March 2023.

Preparation of the financial statements on a going concern basis

The financial statements are drawn up on the going concern basis which assumes Watford and District Mencap Society will continue in operational existence for the foreseeable future. The Council of Management have given due consideration to the working capital and cash flow requirements of Watford and District Mencap Society. The Council of Management consider Watford and District Mencap Society's current and forecast cash

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2. ACCOUNTING POLICIES - continued

resources to be sufficient to cover the working capital requirements of the charity for at least 12 months from the date of signing the financial statements.

Critical accounting judgements and key sources of estimation uncertainty

The preparation of the financial statements requires the Council of Management to make judgements, estimates and assumptions that affect the amounts reported for assets and liabilities as at the balance sheet date and the amounts reported for income and expenditure during the period. However, the nature of estimation means that actual outcomes could differ from those estimates.

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

Income

Income is recognised when the charity has entitlement to the funds, any performance conditions attached to the item(s) of income have been met, it is probable that the income will be received and the amount can be measured reliably. Income received in advance of a service is deferred until the criteria for income recognition are met. Income arises in the United Kingdom.

Income from government and other grants, whether 'capital' grants or 'revenue' grants, is recognised when the charity has entitlement to the funds, any performance conditions attached to the grants have been met, it is probable that the income will be received and the amount can be measured reliably and is not deferred.

For legacies, entitlement is taken as the earlier of the date on which either: 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 Trust 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. Where legacies have been notified to the charity, or the charity is aware of the granting of probate, and the criteria for

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2. ACCOUNTING POLICIES - continued

income recognition have not been met, then the legacy is a treated as a contingent asset and disclosed if material.

Gifts in kind are valued at estimated value to the charity. They are included in the charity's financial statements if the estimated value is in excess of £500.

Interest receivable on funds held on deposit is included when receivable and the amount can be measured reliably by the charity; this is normally upon notification of the interest paid or payable by the bank.

Unrestricted charitable donations are recognised in the financial statements when the charitable donation has been received or if before receipt, there is sufficient evidence to provide the necessary certainty that the donation will be received and the value of the incoming resources can be measured with sufficient reliability.

Donated professional services and facilities are recognised as income when the charity has control over the item, any conditions associated with the donated item have been met, the receipt of economic benefit from the use by the charity of the item is probable and that economic benefit can be measured reliably. In accordance with the Charities SORP (FRS 102), the general volunteer time is not recognised. On receipt, donated professional services and facilities are recognised on the basis of the value of the gift to the charity which is the amount the charity would have been willing to pay to obtain services or facilities of equivalent economic benefit on the open market; a corresponding amount is then recognised in expenditure in the period of receipt.

Expenditure

Liabilities are recognised as expenditure as soon as there is a legal or constructive obligation committing the charity to that expenditure, it is probable that a transfer of economic benefits will be required in settlement and the amount of the obligation can be measured reliably. Expenditure is accounted for on an accruals basis and has been classified under headings that aggregate all costs related to the category. Where costs cannot be directly attributed to particular headings they have been allocated to activities on a basis consistent with the use of resources. A further analysis of this expenditure is given in the notes to the financial statements.

- Cost of raising funds comprises fundraising activities and commercial trading, including their associated support costs.
- Expenditure on charitable activities includes the costs of the charity's services undertaken to further the purpose of the charity and their associated support costs.
- Other expenditure represents those items not falling into any other heading.

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2. ACCOUNTING POLICIES - continued

Tangible fixed assets

Tangible fixed assets, are initially measured at historic cost and subsequently carried at cost less accumulated depreciation and any accumulated impairment losses. All costs incurred to bring an asset into its intended working condition are included in the measurement of cost. Assets are capitalised where the purchase price exceeds £500. The cost of properties is their purchase price together with the cost of improvement works.

At the reporting date, the Council of Management assess, without actually revaluing those assets, whether there is any indication that an asset may be impaired. An impairment loss is recognised if the recoverable amount of an asset is less than its carrying amount.

Depreciation is provided at rates calculated to write down the cost of each asset to its residual value (its scrap or realistic value at the end of its economic life) on a systematic basis over its useful economic life. The assets' residual values and useful lives are reviewed, and adjusted, if appropriate, at the end of each reporting period. The effect of any change is accounted for prospectively.

The main depreciation rates in use are as follows:

- Land - 0% assumed to have an unlimited useful life
- Freehold property - 2% on cost
- Fixtures and fittings - 25% reducing balance
- Motor vehicles - 33% reducing balance

Freehold properties acquired prior to 1 April 1996 are not depreciated as the historical cost between land and buildings cannot be reliably segregated. The Council of Management are satisfied, as the freehold properties are maintained to a good standard, that the aggregate value of the freehold properties at the reporting date is not less than the aggregate amount at which they are stated in the charity's financial statements. The freehold properties are accordingly stated in the financial statements on the basis that the residual value is greater than the asset's carrying amount and the depreciation charge is zero until its residual value subsequently decreases to an amount below the carrying amount.

Cash and cash equivalents

Cash and cash equivalents include cash in hand, deposits held at call with banks, other short-term liquid investments with original maturities of three months or less, and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities.

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2. ACCOUNTING POLICIES - continued

Taxation

The charity is an institution which is established for charitable purposes within the meaning of the Charities Act 2011 and as such is a charity within the meaning of Para 1 of Schedule 6 to the Finance Act 2010. Accordingly, the charity is potentially exempt from taxation in respect of income or capital gains received within categories covered by Sections 478-488 of the Corporation Tax Act 2010 (formerly enacted in Section 505 of the Income and Corporation Taxes Act 1988) or Section 256 of the Taxation of Chargeable Gains Act 1992 to the extent that such income or gains are applied to exclusively charitable purposes. The charity receives no similar exemption in respect of Value Added Tax.

The charity is exempt from corporation tax on its charitable activities.

The charity is not registered for VAT, as the Council of Management consider the charity's incoming resources are exempt from VAT. VAT is included within the attributable cost under resources expended.

Pension costs and other post-retirement benefits

The charity made contributions to a defined benefit pension scheme on behalf of its employees up to September 2001. See note 25 for further information regarding this scheme.

The charity operates a defined contribution pension scheme. The assets of the scheme are held separately from those of the charity in an independently administered fund. The pension costs represent contributions payable under the scheme by the charity to the fund. The charity has no liability under the scheme other than for the payment of those contributions.

Contributions outstanding at the balance sheet date amounted to £nil (2022: £nil).

Operating leases

Rentals under operating leases are charged on a straight-line basis over the lease term, even if the payments are not made on such a basis. Benefits received and receivable as an incentive to sign an operating lease are similarly spread on a straight-line basis over the lease term which runs to the date of the first relevant break clause.

Provision

Provision is made for present obligations where it is probable settlement will be required in the future and the amount can be estimated reliably, but the amount or timing is not certain.

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2. ACCOUNTING POLICIES - continued

The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the reporting end date, taking into account the risks and uncertainties surrounding the obligation. Where the effect of the time value of money is material, the amount expected to be required to settle the obligation is recognised at present value. When a provision is measured at present value, the unwinding of the discount is recognised as a finance cost in net income/(expenditure) in the period in which it arises.

Basic financial instruments

Financial assets (including cash and debtors) and financial liabilities are recognised when the charity becomes a party to the contractual provisions of the instrument. Additionally, all financial assets and liabilities are classified according to the substance of the contractual arrangements entered into.

Financial assets and liabilities are initially measured at transaction price (including transaction costs) and are subsequently remeasured where applicable at amortised cost.

Financial assets include cash, trade debtors and other debtors.

Financial liabilities include trade creditors, other creditors and accruals.

Fund accounting

General funds are available to spend on activities that further any of the purposes of the charity.

Designated funds are unrestricted funds of the charity which the Council of Management have decided at their discretion to set aside to use for a specific purpose.

Restricted funds are donations which the donor has specified are to be solely used for particular areas of the charity's work or for specific projects being undertaken by the charity.

Further explanation of the nature and purpose of each fund is included in note 21.

Funds are reviewed annually by the Council of Management and transfers are made between funds in order to meet the strategic objectives of the charity's business plan.

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3. DONATIONS AND LEGACIES

	31.03.23	31.03.22
	£	£
Donations	47,668	43,514
Legacies	497	30,491
	48,165	74,005

4. OTHER TRADING ACTIVITIES

	31.03.23	31.03.22
	£	£
Shop income	63,720	56,475
Other fundraising activities	15,818	22,709
	79,538	79,184

5. INVESTMENT INCOME

	31.03.23	31.03.22
	£	£
Bank and Building Society interest	8,985	6,639

6. INCOME FROM CHARITABLE ACTIVITIES

	31.03.23	31.03.22
	£	£
From public authorities *	2,736,537	2,397,652
Grants	130,293	131,773
Rental income	192,286	112,303
Fees for using facilities and services	169,101	124,892
	3,228,217	2,766,620

* Includes income generated by the Fundraising team participating in Hertfordshire County Council tenders.

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7. COSTS OF RAISING FUNDS

Fundraising activities

	31.03.23	31.03.22
	£	£
Raising income	56,864	73,539

Other trading activities

	31.03.23	31.03.22
	£	£
Fundraising trading: cost of goods sold and other costs	-	-
Shop expenditure	45,008	50,553
	45,008	50,553
Aggregate fund raising expenditure	101,872	124,092

8. CHARITABLE ACTIVITES COST

	Direct costs	Support costs	Total 31.03.23	Total 31.03.22
	£	£	£	£
Advice and information	26,861	12,342	39,203	90,714
Learning and leisure	507,991	122,623	630,614	595,837
Right support	2,146,861	169,066	2,315,927	2,329,320
	2,681,713	304,031	2,985,744	3,015,871

9. NET INCOME

Net income is stated after crediting/(charging):

	31.03.23	31.03.22
	£	£
Occupancy lease income	192,286	112,302
Depreciation - owned assets (note 14)	(11,272)	(11,270)
Auditor's remuneration – audit	(8,300)	(7,900)
Auditor's remuneration – non-audit	(2,350)	(2,270)
Occupancy licence/lease costs	118,244	(50,049)

10. EXCEPTIONAL ITEM

The exceptional item relates to non-capital significant refurbishment of the new community hub at 92a Langley Road in the prior year.

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11. TRUSTEES' REMUNERATION AND BENEFITS

No trustees' remuneration or other benefits were paid either for the year ended 31 March 2023 or the previous year.

No trustee received payment for professional or other services supplied to the charity. Unrestricted donations totalling £760 (2022: £75) were received from trustees in the year.

The trustees were able to use services used generally by beneficiaries and members of the charity.

Trustees' expenses

No trustees' expenses were paid, either for the year ended 31 March 2023 or the previous year.

12. STAFF COSTS

Total staff costs were as follows:

	31.03.23	31.03.22
	£	£
Wages and salaries	**1,802,162**	1,879,550
Social security costs	**156,239**	129,309
Pension costs (note 19)	**54,536**	37,326
	2,012,937	2,046,185

The average number of employees during the year was as follows:

	31.03.23	31.03.22
Office management	**28**	25
Support workers	**133**	133
	161	158

One employee received emoluments in excess of £60,000 (2022: 1).

The charity pays contributions into a group scheme with the Pensions Trust. The pension cost for the year was £54,536 (2022: £37,326).

The key management personnel of the charity comprise the Council of Management, the Chief Executive, the Finance Manager, the HR Manager, the Head of Operations Manager and the Fundraising Manager. The total employee benefits, including pension contributions, of the key management personnel of the charity were £235,019 (2022: £293,850).

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13. COMPARATIVES FOR THE STATEMENT OF FINANCIAL ACTIVITIES

FOR THE YEAR ENDED 31 March 2022

	Notes	General funds £	Designated funds £	Restricted funds £	Total funds 31.03.22 £
Donations and legacies	3	43,514	30,491	-	74,005
Charitable activities	6				
From public authorities		2,061,554	-	336,098	2,397,652
Grants		48,466	-	83,307	131,773
Rental income		112,303	-	-	112,303
Fees for using facilities and services		124,892	-		124,892
Café income		21,321	-	-	21,321
Other trading activities	4	79,184	-	-	79,184
Investment income	5	6,639	-	-	6,639
Other income		1,662	-	-	1,662
Total		2,499,535	30,491	419,405	2,949,431
EXPENDITURE					
Cost of Raising funds	7				
Fundraising activities		73,539	-	-	73,539
Other trading activities		45,790	-	4,763	50,553
Charitable activities	8				
Advice and information		48,714	-	42,000	90,714
Learning and leisure		559,293	-	36,544	595,837
Right support		1,993,222	-	336,098	2,329,320
Total		2,720,558	-	419,405	3,139,963
Net (expenditure) income	9	(221,023)	30,491	-	(190,532)
Exceptional Item	10	(198,081)	-	-	(198,081)
Transfers between funds	21	(173,487)	173,487	-	-
OTHER RECOGNISED GAINS					
Release of sleep-in payments provision	19	165,600	-	-	165,600
Actuarial gains relating to pension scheme deficit	19	56,014	-	-	56,014
Gain on disposal of fixed assets	14	352,200	-	-	352,200
Net movement in funds		(18,777)	203,978	-	185,201
RECONCILIATION OF FUNDS					
Total funds brought forward	13	65,290	2,191,239	26,534	2,283,063
TOTAL FUNDS CARRIED FORWARD	20	46,513	2,395,217	26,534	2,468,264

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14. TANGIBLE FIXED ASSETS

	Land and buildings £	Fixtures and fittings £	Motor vehicles £	Totals £
COST				
At 1 April 2022	**2,202,524**	**97,870**	**29,850**	**2,330,244**
Addition	**-**	**-**	**-**	**-**
Disposal	**-**	**(65,914)**	**-**	**(65,914)**
At 31 March 2023	**2,202,524**	**31,956**	**29,850**	**2,264,330**
DEPRECIATION				
At 1 April 2022	**6,000**	**97,870**	**29,850**	**133,720**
Charge for year	**11,272**	**-**	**-**	**11,272**
Eliminated on disposal	**-**	**(65,914)**	**-**	**(65,914)**
At 31 March 2023	**17,272**	**31,956**	**29,850**	**79,078**
NET BOOK VALUE				
At 31 March 2023	**2,185,252**	**-**	**-**	**2,185,252**
At 31 March 2022	2,196,524	-	-	2,196,524

Included in cost of land and buildings is freehold property of £1,002,524 (2022:£1,002,524) and land of £1,200,000 (2022:£1,200,000).

15. DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	31.03.23 £	31.03.22 £
Trade debtors	**630,094**	172,424
Prepayments and accrued income	**51,024**	3,000
	681,118	175,424

16. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

		31.03.23 £	31.03.22 £
Trade creditors		**72,759**	122,662
Other creditors		**59,683**	45,375
Individual service funds		**135,038**	136,623
Accruals		**239,925**	317,947
Deferred income		**68,187**	50,523
Bank loans	18	**4,397**	6,024
		579,989	679,154

Deferred income relates to amounts deferred on grants where the grant conditions were not met at the year-end.

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17. CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR

		31.03.23	31.03.22
		£	£
Bank loans	18	**250,117**	254,013
		250,117	254,013

18. BORROWINGS

	31.03.23	31.03.22
	£	£
Loans	**254,514**	260,037
Payable within one year	**4,397**	6,024
Payable after one year	**250,117**	254,013

Amounts included above which fall due after five years:

Payable by instalments	**229,313**	224,309

The loan is secured over the assets and undertakings of the charity by way of fixed and floating charges.

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19. PROVISIONS

	31.03.23	31.03.22
	£	£
Sleep-in payments	-	-
Pension deficit funding arrangement	19,104	29,966
	19,104	29,966

Sleep in payments provision – the provision was originally set up in 2018 following a case that was taken to court regarding payment of the national minimum wage rate for every hour of sleep-in shifts. In March 2021, the Supreme Court ruled that workers do not need to be paid at this rate and so the provision was released in full in the previous year.

Pension deficit funding arrangement
Reconciliation of opening and closing provision

	31.03.23	31.03.22
	£	£
Provision at start of period	29,966	115,109
Unwinding of the discount factor (interest expense)	566	664
Deficit reduction payment	(10,918)	29,129)
Remeasurements - impact of changes in assumptions	(510)	(689)
Remeasurements - amendments to the contribution schedule	-	55,989)
Provision at end of period	19,104	29,966

Actuarial losses (gains) relating to pension scheme deficit

	31.03.23	31.03.22
	£	£
Unwinding of the discount factor (interest expense)	566	664
Remeasurements - impact of changes in assumptions	(510)	(689)
Remeasurements - amendments to the contribution schedule	-	(55,989)
Actuarial gains relating to pension scheme deficit	56	(56,014)
Contributions paid (see note below)	54,536	37,326
Costs recognised in staff costs	54,536	37,326

Note
Includes payments in respect of a defined contribution scheme and service contributions (i.e. excluding deficit reduction payments) in respect of a defined benefit scheme which is now treated as a defined contribution scheme.

More details are disclosed in the pensions note 25.

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20. ANALYSIS OF NET ASSETS BETWEEN FUNDS

Current year	General funds	Designated funds	Restricted funds	Total funds 31.03.23
	£	£	£	£
Fixed assets	-	2,185,252	-	2,185,252
Current assets	1,077,338	316,198	62,086	1,455,622
Current liabilities	(575,592)	(4,397)	-	(579,989)
Non-current liabilities	-	(250,117)	-	(250,117)
Provision	(19,104)	-	-	(19,104)
	482,642	2,246,936	62,086	2,791,664

Comparative year	General funds	Designated funds	Restricted funds	Total funds 31.03.22
	£	£	£	£
Fixed assets	-	2,196,524	-	2,196,524
Current assets	749,609	458,730	26,534	1,234,873
Current liabilities	(673,130)	(6,024)	-	(679,154)
Non-current liabilities	-	(254,013)	-	(254,013)
Provision	(29,966)	-	-	(29,966)
	46,513	2,395,217	26,534	2,468,264

21. MOVEMENT IN FUNDS

Current year	At 01.04.22	Income	Expenditure	Other gains and losses	Transfers	At 31.03.23
		£	£	£	£	£
Unrestricted funds						
General funds	46,513	2,979,009	(2,691,053)	(56)	148,229	482,642
Designated - Repairs and building	75,653	-	-	-	-	75,653
Designated - Charles Hatch Bequest	25,122	-	(52)	-	-	25,070
Designated – Malcom legacy	30,491	-	-	-	-	30,491
Designated - Transport	34,372	-	-	-	-	34,372
Designated - Tangible fixed assets	1,936,487	-	-	-	(5,747)	1,930,740
Designated - Pension	293,092	-	-	-	(142,482)	150,610
	2,441,730	2,979,009	(2,691,105)	(56)	-	2,729,578
Restricted funds						
Advice	-	21,000	(21,000)	-	-	-
Afterschool Club	-	28,369	(28,369)	-	-	-
Berrywood	-	7,500	(7,500)	-	-	-
Café	-	22,450	(22,450)	-	-	-
Hertfordshire Mencaps	1,284	-	-	-	-	1,284
Individual Service Funds	-	317,192	(317,192)	-	-	-
Hillside	-	-	-	-	-	-
Learning and leisure	-	-	-	-	-	-
Legacy	25,250	-	-	-	-	25,250
Shop		-	-	-	-	-
Technology	-	-	-	-	-	-
Wolfson Foundation	-	35,552	-	-	-	35,552
	26,534	432,063	(396,511)	-	-	62,086
TOTAL FUNDS	2,468,264	3,411,072	(3,087,616)	(56)	-	2,791,664

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21. MOVEMENT IN FUNDS - continued

Comparative year	At 02.04.21	Income	Expenditure	Other gains and losses	Transfers	At 31.03.22
		£	£	£	£	£
Unrestricted funds						
General funds	65,290	2,499,535	(2,918,639)	573,814	(173,487)	46,513
Designated - Repairs and building	75,653	-	-	-	-	75,653
Designated - Charles Hatch Bequest	25,122	-	-	-	-	25,122
Designated – Malcom legacy	-	30,491	-	-	-	30,491
Designated - Transport	34,372	-	-	-	-	34,372
Designated - Tangible fixed assets	1,790,877	-	-	-	145,610	1,936,487
Designated - Pension	265,215	-	-	-	27,877	293,092
	2,256,529	2,530,026	(2,918,639)	573,814	-	2,441,730
Restricted funds						
Advice	-	42,000	(42,000)	-	-	-
Afterschool Club	-	13,320	(13,320)	-	-	-
Berrywood	-	-	-	-	-	-
Café	-	17,224	(17,224)	-	-	-
Hertfordshire Mencaps	1,284	-	-	-	-	1,284
Individual Service Funds	-	336,098	(336,098)	-	-	-
Hillside	-	-	-	-	-	-
Learning and leisure	-	6,000	(6,000)	-	-	-
Legacy	25,250	-	-	-	-	25,250
Shop		4,763	(4,763)	-	-	-
Technology	-	-	-	-	-	-
	26,534	419,405	(419,405)	-	-	26,534
TOTAL FUNDS	2,283,063	2,949,431	(3,338,044)	573,814	-	2,468,264

Unrestricted funds:

General funds are the "free" reserves after allowing for all designated funds.

Designated funds are amounts that have been put aside at the discretion of the Council of Management for specific purposes, as follows:

Repairs and building - funds set aside for the maintenance of and future liabilities arising from the properties owned and managed by the charity.

Charles Hatch Bequest - funds from which, at the discretion of the Council of Management, small grants may be made to people with disabilities who are in urgent need.

Malcom Legacy - funds from which, at the discretion of the Council of Management, will be used for garden works and the play barn.

Transport - funds set aside to replace the charity's vehicles at the end of their useful lives.

Tangible fixed assets - funds set aside to replace the charity's assets at the end of their useful lives.

Pension - funds set aside to cover potential employer debt on withdrawal from pension scheme.

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21. MOVEMENT IN FUNDS – continued

Restricted funds:

The restricted funds of the charity are all income funds. The funds are subject to conditions imposed by the donors and are for the following reasons:

Advice – Funds restricted for direct costs of providing advice and information service

Afterschool club – funds restricted for the direct costs involved with providing after school activities for children and young people.

Berrywood – Funds restricted for the direct costs involved in the residential care home

Café – Funds restricted for the setup of the café in the Watford central library.

Hertfordshire Mencaps - partnership grant held for Hertfordshire Mencaps.

Individual Service Funds - funds restricted for the provision of individual personalised services.

Hillside – roof repairs.

Learning and leisure - funds restricted for the provision of learning and leisure activities.

Legacy - legacy to be utilised for specific projects.

Shop – Funds restricted for the direct costs involved with the Bushey charity shop

Technology - funds restricted for the delivery of a technology club for children and young people.

Transfers:

A transfer of £(5,747) (2022: £148,610) has been made from general funds to the designated tangible fixed assets and £(142,482) (2022:£27,877) to the designated pension fund.

22. RELATED PARTY DISCLOSURES

There were no related party transactions for the year ended 31 March 2023 nor for the year ended 31 March 2022.

23. ULTIMATE CONTROLLING PARTY

In the opinion of the trustees the charity does not have an ultimate controlling party. There has been no change between the reporting date and date of approval of the financial statements.

24. EVENTS AFTER THE REPORTING PERIOD

Events after the reporting date are those events, favourable or unfavourable, that occur between the balance sheet date and the date when the financial statements are authorised. There are no adjusting events after the reporting period which will have a material effect on the financial statements of the charity.

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25. PENSIONS

The Pensions Trust - Growth Plan Scheme

Background

The charity participates in the above Scheme. The Scheme is funded and is not-contracted out of the State scheme.

Contributions paid by the charity into the Scheme up to and including September 2001 were converted to defined amounts of pension payable from the National Retirement Date. This scheme is known as Growth Plan Series 3 ("GP3"). From October 2001 contributions from the charity were invested in personal funds which are converted to a pension on retirement, either within the Scheme or by the purchase of an annuity. This scheme is known as Growth Plan Series 4 ("GP4").

GP3 closed to further contributions from 30 September 2013, and during that year the charity consulted with employees and decided to offer GP4 from 1 October 2013 rather than exit the Scheme altogether and closed GP3 to new entrants. GP4 is deemed to be a "qualifying scheme" for the purposes of Auto Enrolment, and is in use by the charity as an Auto-Enrolment vehicle since its staging date of 1 May 2014. As at the balance sheet date there were 70 (2022: 70) active members of the Scheme employed by the charity.

The Pensions Act 2011 changed the definition of Money Purchase schemes, following which GP3 was classified as a defined benefit scheme. As a result, any liabilities within this Scheme must be included in the calculation of any debt on withdrawal.

It is not possible in the normal course of events to identify on a reasonable and consistent basis the share of underlying assets and liabilities belonging to individual participating employers because the Scheme is a multi-employer scheme, where the assets are co-mingled for investment purposes, and benefits are paid out of the Scheme's total assets.

Employer's debt on withdrawal

An employer debt will arise if the Scheme is wound up; a participating employer becomes insolvent; ceases to participate in the Scheme, or ceases to exist.

A debt liability will not crystallise as long as the charity continues to employ an active member of the Scheme. Note that failure to submit the Additional Contributions (see below) may result in the Trustee terminating the employer's participation in the Scheme, resulting in a cessation event. Should the charity withdraw from the Scheme, the actual debt figure would have to be calculated by the Scheme actuary at the date of withdrawal.

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25. PENSIONS - continued

Valuation

The Scheme Trustee commissions an actuarial valuation of the Scheme every three years. The most recent valuation was at 30 September 2020 (previous valuation was at 30 September 2017). The purpose of the actuarial valuation is to determine the funding position of the Scheme by comparing the assets with past service liabilities as at the valuation date. Asset values are calculated by reference to market levels. Accrued past service liabilities are valued by discounting expected future benefit payments using a discount rate calculated by reference to the expected future investment returns.

The valuation at 30 September 2020 was performed by a professionally qualified Actuary using the Projected Unit Method. The market value of the Scheme's assets at the valuation date was £800 million (30 September 2017: £795 million) and the Scheme's Technical Provisions (i.e. past service liabilities) were £832 million (30 September 2017: £927 million). The valuation therefore revealed a shortfall of assets compared with the value of liabilities of £32 million (30 September 2017: £132 million).

Buy Out Basis of valuation

The buy out (or, solvency) basis is the statutorily prescribed basis for calculating an employer's debt on withdrawal. It is also known as a "Section 75 debt" from that part of the Pensions Act 2004.

The debt for the Scheme as a whole is calculated by comparing the liabilities for the Scheme (calculated on a buy-out basis i.e. the cost of securing benefits by purchasing annuity policies from an insurer, plus an allowance for expenses) with the assets of the scheme. If the liabilities exceed the assets there is a buy-out debt.

Insurance companies tend to price annuities based on conservative assumptions for future investment returns and build in a risk allowance or safety margin to allow for the fact that the benefits are guaranteed. An element of profit is also included in the calculation. As a result, buy-out liabilities of the Scheme are significantly higher than the ongoing liabilities.

The leaving employer's share of the buy-out debt is the proportion of the Scheme's liability attributable to employment with the leaving employer compared to the total amount of the Scheme's liabilities (relating to employment with all the currently participating employers). The leaving employer's debt therefore includes a share of any 'orphan' liabilities in respect of previously participating employers. The amount of the debt therefore depends on many factors including total Scheme liabilities, Scheme investment performance, the liabilities in respect of current and former employees of the employer, financial conditions at the time of the cessation event and the insurance buy-out market. The amounts of debt can therefore be volatile over time.

Pension deficit funding arrangement

The company participates in the scheme, a multi-employer scheme which provides benefits to some 638 non-associated participating employers. The scheme is a defined benefit scheme in the UK. It is not possible for the company to obtain sufficient information to enable it to account for the scheme as a defined benefit scheme. Therefore it accounts for the scheme as a defined contribution scheme.

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25. PENSIONS - continued

Pension deficit funding arrangement - continued

The scheme is subject to the funding legislation outlined in the Pensions Act 2004 which came into force on 30 December 2005. This, together with documents issued by the Pensions Regulator and Technical Actuarial Standards issued by the Financial Reporting Council, set out the framework for funding defined benefit occupational pension schemes in the UK.

The scheme is classified as a 'last-man standing arrangement'. Therefore the company is potentially liable for other participating employers' obligations if those employers are unable to meet their share of the scheme deficit following withdrawal from the scheme. Participating employers are legally required to meet their share of the scheme deficit on an annuity purchase basis on withdrawal from the scheme.

A full actuarial valuation for the scheme was carried out at 30 September 2020. This valuation showed assets of £800.3m, liabilities of £831.9m and a deficit of £31.6m. To eliminate this funding shortfall, the Trustee has asked the participating employers to pay additional contributions to the scheme as follows:

Deficit contributions

From 1 April 2022 to 31 January 2025:	£3,312,000 per annum (payable monthly)

Unless a concession has been agreed with the Trustee the term to 31 January 2025 applies.

Note that the scheme's previous valuation was carried out with an effective date of 30 September 2017. This valuation showed assets of £794.9m, liabilities of £926.4m and a deficit of £131.5m. To eliminate this funding shortfall, the Trustee asked the participating employers to pay additional contributions to the scheme as follows:

Deficit contributions

From 1 April 2019 to 30 September 2025:	£11,243,000 per annum (payable monthly and increasing by 3% each on 1st April)

The recovery plan contributions are allocated to each participating employer in line with their estimated share of the Series 1 and Series 2 scheme liabilities.

Where the scheme is in deficit and where the company has agreed to a deficit funding arrangement the company recognises a liability for this obligation. The amount recognised is the net present value of the deficit reduction contributions payable under the agreement that relates to the deficit. The present value is calculated using the discount rate detailed in these disclosures. The unwinding of the discount rate is recognised as a finance cost.

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25. PENSIONS - continued

Assumptions

	31 March 2023	31 March 2022	01 April 2021
	% per annum	% per annum	% per annum
Rate of discount	5.52	2.35	0.66

The discount rates shown above are the equivalent single discount rates which, when used to discount the future recovery plan contributions due, would give the same results as using a full AA corporate bond yield curve to discount the same recovery plan contributions.

The following schedule details the deficit contributions agreed between the company and the scheme at each year end period:

Deficit contribution schedule	31 March 2023	31 March 2022	01 April 2021
	£000s	£000s	£000s
Year 1	11	11	29
Year 2	9	11	30
Year 3	-	9	31
Year 4	-	-	27

The company must recognise a liability measured as the present value of the contributions payable that arise from the deficit recovery agreement and the resulting expense in the income and expenditure account i.e. the unwinding of the discount rate as a finance cost in the period in which it arises.

It is these contributions that have been used to derive the company's balance sheet liability of £19,104 (2022: £29,966).

26. COMPANY LIMITED BY GUARANTEE

The charitable company is limited by guarantee and has no share capital. Every member of the company undertakes to contribute to the assets of the company in the event of its being wound up, for payments of the debts and liabilities of the company, such amount as may be required, not exceeding £1.

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27. FINANCIAL INSTRUMENTS

The charity has the following financial instruments:

	Notes	31.03.23	31.03.22
		£	£
Financial assets measured at amortised cost			
- Cash and cash equivalents		**774,504**	1,059,449
- Trade debtors	15	**630,094**	172,424
		1,404,598	1,231,873
Financial liabilities measured at amortised cost			
- Trade creditors	16	**72,759**	122,662
- Other creditors	16	**59,683**	45,375
- Individual service funds	16	**135,038**	136,623
- Accruals	16	**239,925**	317,947
- Bank loans	18	**254,514**	260,037
		761,919	882,644

28. RECONCILIATION OF NET INCOME TO NET CASH FLOW FROM OPERATING ACTIVITIES

	31.03.23	31.03.22
	£	£
Net movement in funds for the reporting period (as per the statement of financial activities)	**323,400**	185,201
Adjustments for:		
Depreciation charges	**11,272**	11,270
Interest payable	**13,280**	30,897
Gain on disposal of fixed assets	**-**	(352,200)
Actuarial losses (gains) relating to pension scheme deficit	**56**	(56,014)
Interest received	**(8,985)**	(6,639)
Release of sleep-in provisions	**-**	(165,600)
(Decrease)/increase in other provisions	**(10,918)**	-
(Increase)/decrease in debtors	**(505,694)**	(109,572)
(Decrease)/increase in creditors	**(103,061)**	(241,513)
Net cash (used in) provided by operating activities	**(280,650)**	(704,170)

29. ANALYSIS OF CHANGES IN NET CASH

Current year	At 31.03.22	Cash flows	At 31.03.23
	£	£	£
Cash at bank and in hand	1,059,449	(314,945)	744,504
Borrowings	(260,037)	5,523	(254,514)
	799,412	(309,422)	489,990

WATFORD AND DISTRICT MENCAP SOCIETY

England & Wales - Charity number 1004431

Accounts

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Trustee Report & Financial Statements for the year ended 31st March 2022

Registered Company Number: 02636705 (England and Wales)
A Company limited by Guarantee
Registered Charity Number: 1004431

www.watfordmencap.org.uk

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WATFORD AND DISTRICT MENCAP SOCIETY

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WATFORD AND DISTRICT MENCAP SOCIETY

REFERENCE AND ADMINISTRATIVE DETAILS

FOR THE YEAR ENDED 31 MARCH 2022

COUNCIL OF MANAGEMENT	Mr R F Jones	(Chair)
	Mrs P Joy	(Acting Vice Chair, Treasurer)
	Mr M S Enoch	
	Mrs L C Green	
	Mrs P Robertson	
	Mr J R Teague	
	Mr J Good	(Appointed 25th June 2022)
COMPANY SECRETARY	Mrs R L Kreloff	(Retired 8th April 2022)
	Miss J K Pattinson	(Appointed 8th April 2022)
REGISTERED OFFICE	92a Langley Road Watford Hertfordshire WD17 4PJ	
REGISTERED COMPANY NUMBER	02636705 (England and Wales)	
REGISTERED CHARITY NUMBER	1004431	
INDEPENDENT AUDITORS	Mercer & Hole LLP Chartered Accountants Trinity Court Church Street Rickmansworth Hertfordshire WD3 1RT	
CHIEF EXECUTIVE	Miss J K Pattinson	
PRINCIPAL BANKER	NatWest 72 High Street Watford Hertfordshire WD17 2GZ	
WEBSITE	www.watfordmencap.org.uk	

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The trustees (also known as the Council of Management) who are also directors of the charity for the purposes of the Companies Act 2006, present their report with the financial statements of the charity for the year ended 31 March 2022. The trustees have adopted the provisions of Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their financial statements in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2019).

OBJECTIVES AND ACTIVITIES

Objectives

The charity's objects are set out in the Articles of Association and are:

- The relief of people with a learning disability in particular by the provision of help and support for them and their families, dependants and carers and to prevent or alleviate learning disabilities for the public benefit by education, research and life-enhancing medical intervention.

- The provision or assistance in the provision of facilities for the recreation or other leisure time occupation for people who have need thereof by reason of learning disability with the object of improving their conditions of life.

"Learning disability" means any developmental disability of the mind and any associated condition howsoever caused and whether mild, moderate or severe.

The charity aims to achieve its objects by seeking to provide user-led and person-centred services which enable people with a learning disability to make the most of life. Services are constantly under review in the light of user needs, government policy, funding availability, and changing needs and practices. Watford Mencap seeks to work with other voluntary and statutory organisations to promote the welfare of people with a learning disability.

Our Values

We are INCLUSIVE People with learning disabilities are at the heart of everything that we do.

We are RESPECTFUL We work in a person-centred way, whilst listening to the views of all.

We are WELCOMING We are approachable and value all.

We are PROGRESSIVE We promote learning to support everyone to achieve their potential.

We are CHALLENGING Through our work we will push the boundaries for individuals, organisations and society.

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OBJECTIVES AND ACTIVITIES - Continued

Our Mission

Enabling people with learning disabilities and their families to make the most of life.

To help make this happen we will

- Support people to enjoy choice and control over their own lives, to enable them to work towards fulfilling their life ambitions and to achieve their potential
- Provide a range of high quality, individually tailored services that focus on the individual and their family
- Support people to obtain their rights and to understand their responsibilities as members of society
- Recognise that people have skills, abilities and expertise and use these to inform our growth and progress
- Campaign to ensure the rights of people with a learning disability and their families are respected and to ensure that they have access to the services they need and to challenge the boundaries of discrimination
- Involve and include people in evaluation and decision making at all levels within Watford Mencap

Activities

All of the charity's activities focus on the objects set out in the Articles of Association noted on page 2. It is the charity's aim to be the first port of call in South West Herts for all people with a learning disability, their families and carers. Support may be given in partnership with other relevant organisations. There are no restrictions on access to services other than the charity's capacity and capability to provide the support required to live a fulfilling life.

A life-long journey supported by Watford Mencap every step of the way

People with learning disability are one of the least understood, least visible and most vulnerable sections of our society. They are also a sizeable group.

The Improving Health and Lives (IHAL) profiles produced by the North East Public Health Observatory estimates that approximately 2.5% of the total population have some form of learning disability, resulting in an estimated 1.5 million people in the United Kingdom with a learning disability. This population is predominantly (60%) male and unknown to services; of the estimated 1.2 million adults with a learning disability in England, only 189,000 (21%) are known to local authority or health services. Around 24% of the estimated population with learning disabilities are believed to be children and 76% are believed to be adults. (IHAL, 2011).

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OBJECTIVES AND ACTIVITIES - Continued

The Summary Needs Assessment: Fulfilling Lives for People with Learning Disabilities estimates there may be 5,500 children with learning disabilities in Hertfordshire and Projecting Adult Needs and Service Information 2015 states there are 21,109 people over 18 with a learning disability in the county. This is 1.8% of the total adult population. As of December 2020, Hertfordshire County Council (HCC) adult social care were supporting 4,600 adults with learning disabilities. Public Health England 2016 states there were 22.4 per 1,000 children with a learning disability known to schools in Herts and that 2.5% of children in England have a learning disability. The Herts Learning Disability Joint Commissioning Strategy 2019-24 states only 3,000 adults with learning disabilities were receiving help from local social care services and that local doctors only have 5,000 people on their register of people with learning disabilities in Hertfordshire.

The number of people over 18 with a learning disability is predicted to increase by 9% by 2025 and the largest projected growth area over the next 10 years is in the 75-84 and 85+ age range with projected increases of 32% and 47% respectively. It was recognised very early on in the pandemic that people with learning disabilities were extremely vulnerable to Covid19 so extra caution would be required. In seeking to serve this section of society Watford Mencap has developed a wide range of services.

The pandemic has meant that needs have changed and services have had to constantly evaluate not just what is needed but also what can be safely provided. Throughout the pandemic all Watford Mencap services came together, enabling the organisation to mobilise staff and cover gaps. In January 2021 the organisation made this change permanent, Ruth Murray became Head of Operations and Deputy Chief Executive. Services continued to run throughout the pandemic and can be purchased privately by self-funders, people with individual budgets and direct payments as well as through Herts County Council (HCC) commissioned services.

Services at Home

This range of services are offered in people's homes supporting them in their daily lives to gain independence and to promote choice and control.

Advice and Information

Initial and ongoing contact through the Advice and Information Service is free to all and funded through fundraising, grants, and reserves if necessary. This service provides information, supports people, and facilitates their efforts to plan their lives and access services. No distinction is made between those who might wish to access services provided by the charity and those for whom another service provider or organisation might be more appropriate - the interests of the individual are paramount. The service continues to be part of the National Lottery funded Building

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OBJECTIVES AND ACTIVITIES - Continued

Better Opportunities project which focuses on supporting young people into employment. The information gathered also supports Watford Mencap's campaigning work to highlight unmet needs to local authorities through the Strategic Commissioning Group. Despite a reduction in the team they continued to be the front face of the organisation offering welfare calls to the people we support as well as advice and information. The team supported 174 people with 181 queries resulting in 4,675 contacts. The service is also recognised by Hertfordshire County Council as a brokerage provider.

1:1 Support in your own Home

The Care and Support Agency provides individualised and person-centred support for people with learning disabilities within the local community. People can be supported with a range of everyday activities, some practical, others more focused on social skills and learning. This service also supports children as part of our Short Break offer. All work is focused on enablement and helping people to maximise their independence. Work remained sporadic for the team as the pandemic continued and clients declining a service. The team also reduced but throughout the year provided over 8,306 hours of support to a total of 64 people with learning disabilities.

24-Hour support in your own Home

The Individual Service Fund team supports 10 people living in 4 different properties across South West Herts. Funding for individuals is from various sources including Individual Service Funds and commissioned hours from HCC’s Supported Living Framework. During the year the focus was to support people to stay safe during the pandemic while trying to return to some sense of normality. The team has kept everyone safe and provided 30,705 hours of support.

24-hour support in a Registered Care Home

19 people are supported in 3 registered care homes located in Watford and Three Rivers. Many people have lived in their home for many years and receive support in all aspects of their life. Care homes continued to be identified as posing a higher risk to individuals during the pandemic so teams worked hard to maintain infection control and manage Covid outbreaks. The residents’ needs have continued to increase, with teams adapting their practices and the environment, to support them. Recruiting new workers was a challenge but the teams kept everyone safe and provided 52,280 hours of support.

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OBJECTIVES AND ACTIVITIES - Continued

Community Activities

This range of services are offered in the community and can be commissioned or paid privately. Many charge fees that are affordable to people from their weekly income, although help with fees may be sought for those in crisis. These are funded largely by grant or fundraising income but may also be subsidised by reserves during start-up or funding gaps or when broadening access for hard-to-reach groups. The aim is to provide attractive and fun activities which promote well-being and independence. Activities are available across all age ranges and are based on feedback from people who use the services. During the year these services continued to need to assess risk and work in conjunction with the legislation to ensure safe services were provided as the pandemic continued.

The following activities are offered:

Children

The Short Break Contract from HCC continued to enable a range of leisure activities to be delivered, including weekend sessions, adventure breaks, a Lego club, 1:1 sessions and holiday activity schemes. All referrals for these services must come through the HCC Short Breaks process. Fundraising supports evening sessions as well as a group for under 5's which supports families with a stay and play session. These services were adapted as the pandemic progressed with a reduced offer of evening and weekend sessions alongside holiday activity schemes. A move to our new community hub in January 2022 enabled additional sessions to be offered in a more welcoming environment. 48 children accessed these activities across the year, attending a total of 831 sessions.

Young People

This contract also includes young people and enabled a range of leisure activities including a weekly youth club, weekend sessions, adventure breaks, a Lego club, 1:1 sessions and holiday activity schemes for those at both school and college. Children's services must come through the HCC Short Breaks Contract process which affects our ability to offer services to some people. Those at college or accessing service outside this contract can access services through self-referral. Fundraising supports evening activities focusing on life skills such as cooking and shopping. These services were also adapted to enable service to continue in a safe way. Like those for Children, evening weekend activities continued alongside the weekly youth club. Holiday activity schemes were also available for those at school and college. 46 young people accessed these activities across the year, attending a total of 1,037 sessions

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OBJECTIVES AND ACTIVITIES - Continued

Adults

Adults Day Opportunities – regular day activities for adults which can be commissioned by local teams continued to operate either online or out in the community. 6 people accessed the services attending 350 sessions.

Profound and Multiple Learning Disability (PMLD) – regular activities for young people with PMLD which can be commissioned by local teams. The service continued to run throughout the year and moved to the new community hub in January 2022. This saw a marked difference in the individuals using the service, with many more relaxed and enjoying the new environment. Over the year the team provided over 4,347 hours of support to a total of 7 people with PMLD.

Employability – The Café in the Library offers learning opportunities for people with learning disabilities to gain skills in all areas of the business including customer service, handling money and food hygiene. The Café was finally able to reopen outside in June 2021 and inside in

September. Unfortunately, the café was then closed again in accordance with Government guidance over the Christmas period reopening in January 2022. Following the opening of our community hub in January 2022, the team started offering sessions in the new training kitchen. These including community cooking and life skills. During the year team 14 people accessed these services attending 212 sessions.

The charity also provides volunteering opportunities for people with learning disabilities to gain retail, administration, and customer care skills. The shop and other trading initiatives provide opportunities to many volunteers, some of whom have a learning disability.

Leisure and learning –

Activities continued online with a wide range of activities including quizzes, planting and cooking. Sessions focused on maintaining people's skills, confidence and wellbeing to encourage them to speak up for themselves and others. Weekly dancercise session also continued online with a dance teacher.

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OBJECTIVES AND ACTIVITIES - Continued

As the weather improved and restrictions relaxed in person activities recommenced with trips to local green spaces along with outdoor attractions such as Top Golf. All other monthly clubs remained closed along with the monthly night club at Pryzm nightclub in Watford. In total 55 people accessed these activities across the year, attending a total of 188 sessions

Having your Say – Watford Mencap continues to host the Hertfordshire county-wide network that supports people with profound and multiple learning disabilities and their carers. Any feedback received is passed on to the local authority through the relevant networks.

Watford and Three Rivers Learning Disability Local Area Forum is hosted and facilitated by the charity. The Forum focused on local and national topics linking with the local authority to raise issues.

Watford Mencap has a service user and carer base of over 1,210 people with learning disabilities and their carers for its various services. The charity aims to raise awareness of learning disability among the wider population, and of the existence of the charity and the services it provides to those with learning disabilities, their families and carers, as well as other relevant professionals. Ultimately, the charity would like to act as a central point of contact in relation to learning disability in South West Herts, providing information, contacts, advice and, where relevant and possible, services, to all who need them.

Public benefit

In planning and reviewing the above activities, the Council of Management have given careful consideration as to whether they have complied with the duty in section 17 of the Charities Act 2011 to have due regard to the public benefit guidance published by the Charity Commission.

The members, staff and volunteers of Watford Mencap strongly believe in the importance and worth of every individual in our society. The aim inherent in all of the charity's activities is to enable and facilitate the ability of people with a learning disability to make the choices that most of us take for granted. By making a contribution to this aim, the charity provides a public benefit of not only alleviating the potential distress and waste of individuals frustrated by the inability to lead a fulfilling life and the associated impact on their families and carers, but also, in some small way, to make society more tolerant, compassionate and inclusive.

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OBJECTIVES AND ACTIVITIES - Continued

Staff and volunteers

Watford Mencap benefits greatly from the commitment of its 158 paid staff. It also benefits from the support of a number of volunteers in the office, trading and fundraising activities, leisure services and community hub. The contribution of the 36 regular helpers and volunteers who worked with the charity over the year is estimated to be approximately 2,116 hours (representing the equivalent of approximately 1.1 full-time staff) and their contribution is gratefully acknowledged. Throughout the pandemic we have continued to be supported by a wide range of helpers who donated regular time to deliver food, PPE and general supplies to support our projects. This was also accompanied by many kind gestures of support, from making PPE, running virtual sessions, donating fresh foods for our projects and treats to support our workforce. It also included corporate volunteers from WBSL and support at a fundraising event held at the Atria in Watford. We estimate this additional help from our helpers and supporters to be 216 hours, the approximate equivalent of another 0.1 members of staff. We are truly thankful for this and would not have been able to sustain our projects without this very generous support.

Lower than market sector turnover of front-line staff and a consistent management team continue to be a significant achievement for the charity, however the last year has seen a more than usual turnover of staff and a greater reliance of agency staffing to ensure we can meet minimum staffing levels in our projects. The national social care recruitment and retention crisis is a very significant challenge in South West Herts. The people and families that the charity supports acknowledge the importance of knowing and trusting the staff and volunteers. A dedicated team of casual workers work alongside contracted staff, volunteers and regular agency workers to help the charity achieve this consistency of support.

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THE ONGOING IMPACT OF COVID19 PANDEMIC

The focus of our work over the past year has been to keep the people we support, our staff and volunteers safe and well. Huge thanks must go to everyone that played a part in this. We kept infection rates low and managed to reopen Covid secure services. This was not an easy task and was successful due to our effective testing regime, continued use of PPE and excellent infection control procedures.

Despite the challenge of Covid we managed to: maintain our advice service quality mark (being rated as a good service), be a finalist in the HCPA 2021 Herts Care Awards and to gain a 5 star environmental heath rating for the training kitchen in 92a. Many of our systems were reviewed and streamlined in our office move, strengthening our business continuity plan through installing a new Horizon phone system, moving all documents onto Azure in the Cloud and embracing new technology with new laptops, mobiles, wireless and broadband contracts to enable staff to work fluidly in the most efficient and effective way.

We also tendered our audit and appointed Mercer and Hole, who worked well with our finance team to smoothly complete our accounts.

Greater detail on the key actions from the 2021-22 business plan can be seen below

Getting through Covid

Our services continued to run at all times when legislation permitted. This was possible due to government grants and ongoing funding from HCC for commissioned services up to March 2022, along with emergency Covid grants and development funds granted for the refurbishment of 92a. We are extremely grateful to all of our funders who supported us through this challenging time, enabling us to continue to support local families.

We used our workforce flexibly to ensure cover across all of our projects. At its peak staff Covid sickness was over 20% of the workforce but thankfully dropped later in the year to an average of 5-10%. We needed to use additional agency staff to ensure our projects maintained safe staffing levels. A very cautious approach to managing all sickness paid off and in the main we managed to keep the vast majority of Covid sickness in our projects as isolated cases, not outbreaks. We paid Covid related sick pay to staff throughout the period.

We were fortunate to receive early vaccination opportunities in December 2020 which meant staff also received early boosters helping to increase immunity, ensuring that the majority of people were not seriously unwell with the Omicron variant.

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THE ONGOING IMPACT OF COVID19 PANDEMIC – Continued

Covering for colleagues and working in such difficult circumstances has without doubt been hard for staff, we are extremely grateful to them for working additional hours, providing cover at short notice and making changes to their working patterns that enabled our services to continue with such consistency. We continued with our regular staff communications keeping people up to date with changes, promoting resilience and wellbeing along with sources of help and support that were available to social care staff.

Recovery from Covid

In summer 2021 we were able to reopen the café with outside service thanks to a grant from Watford Council Mayors Fund. In August 2021 office staff returned to being largely office based and by April 2022 our final services returned with the reopening of Bumble club and weekly coffee mornings at 92a, and our monthly Pryzm nightclub. Many families gained more confidence and by March 2022 there was very little need for virtual services with people wanting to mix and socialise again. Voids were also filled in our residential homes.

Our application to Herts Community Foundation for HCC funding for our learning and leisure services was successful. However only half of the money requested was awarded but this did cover the costs of existing service provision with a small uplift for 2022. We were also successful in obtaining a place on the HCC day opportunities framework and received a 12-month extension in our HCC advice, speaking up and involvement funding.

We were very pleased that Amanda Topping our office cleaner moved over to 92a with us and we are using Sunnyside Rural Trust to look after the 92a garden. Our training kitchen trainees are also now preparing meals for the afterschool club and beginning to cook for the café in the library.

Funding reviews at Hillside and Thorpedale residential homes are now underway to assess and appropriately fund changing needs after being delayed by HCC staffing resources earlier in the pandemic.

Twelve Watford Mencap managers and 2 staff members who applied for development places, completed 6 days of Inspire 2, our leadership and management training and succession programme. It's really positive to see that many of them have since been appointed to new roles and gained internal promotions within Watford Mencap.

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SUPPORTING AND VALUING OUR PEOPLE

The new operational structure has worked well and created a much more fluid and flexible workforce, which gives staff greater opportunities to work across a range of projects and more pathways for development and promotion. Beth Smith our Services at Home Operations Manager moved to a full-time role in September 2021 and Fiona Rutherford joined Watford Mencap in February 2022 as our 2nd Operations Manager focussing on community activities and the Doing it Together project (DIT). Fiona has now restarted the DIT sub group and has brought together a new project plan. We also appointed Brenda Munyebvu a worker at our Hillside residential home to the vacant manager's position at Berrywood.

Helen Jones our staffing manager is now part of our HR team and monitors training, booking regular inhouse core training. If felt very positive to get back to face to face training again. New frontline workers continue to complete the care certificate with HCPA as part of their Watford Mencap induction, this gives workers who are often completely new to care a very good introduction to working in social care.

Following a salary review we uplifted support worker posts to the top of the local pay range and personal assistants rates to a strong position on this local pay scale in August 2021. By April 2022 with increases in minimum wage these rates had fallen to bottom of scale and led to us uplifting all salaries again by 6.48%. We have and will continue to lobby HCC and Herts Care Providers Association for further uplifts to enable us to pay a wage that competes with local retail and hospitality jobs. Being a social care charity in South West Herts, recruitment and retention remains our biggest challenge. During the year we developed a new strategy to help us to try and manage this national crisis locally. A small one-off payment from HCC enabled us to enhance festive bank holiday pay rates, as a thank you to staff and to reduce the need for agency staff.

We were very pleased that John Good, a long term co-opted advisor on our audit and finance committee was elected as a trustee at our AGM on 25th June. Pauline Joy has kindly decided to remain in the Treasurer role. Trustees visited projects where possible and special thanks go to Pam and Malcolm Robertson for their great help with our Bushey shop.

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CREATING A COMMUNITY HUB IN 92A

At the same time as managing through a pandemic we carried out a significant refurbishment of 92a Langley Road, which we purchased on 1st April 2021. Work was completed in 3 stages and in August 2021 on completion of stage 1, we sold and moved our services out of the Old Town Hall into 92a. In December 2021 Playskill a local charity for children under 5 with physical disability moved into the 2nd floor offices at 92a on a 5 year lease, with 6 month notice period. In January 2022 following Ofsted approval we vacated the Lemarie Centre and opened our community hub, along with additional space to lease and rent out to other local community groups.

A planning pre-app was also submitted in May 2022 to Watford Council for the play barn which will be funded by a very generous donation of £45,000 from Warner Bros Studios Leavesden. We also commissioned a garden designer who produced a garden concept and initial garden design. We hope to proceed with the play barn, sensory garden and allotment in Autumn 2022 when full planning permission has been granted and funds secured.

We were delighted to receive such generous support with our move and are extremely grateful to the many donors and supporters who have enabled us to create such a warm and welcoming space at 92a. We were very pleased to also receive such positive feedback from the Nascot Lawn campaign group families who had fought to keep the overnight respite unit open. We are delighted that some of these children are now using our daytime services based at 92a. Our thanks also go to

Charity Bank for their support and finance, we were delighted to be able to make some additional repayments ahead of schedule in March 2022, reducing our mortgage balance.

Phase 3 building works at 92a will include the completion of the conservatory in Summer 2022, thanks to a significant grant from the Wolfson Foundation.

By March 2022 92a was in full use as a community hub with a full range of Covid safe activities taking place in our new venue. We have remained vigilant re Covid and have maintained our PPE, mask wearing and screening. All of which has helped people to feel safe to return to using our services whilst enjoying the comfortable new surroundings. We continue to receive very positive feedback from professionals, the families we support and people who use our services, over 200 people came along to our 25th June 2022 party in the garden to celebrate the opening of our community hub.

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FUNDRAISING ACTIVITIES

Watford Mencap is an independent local charity that is responsible for raising all its own funding to support local people with learning disabilities. Although affiliated to the national Royal Mencap charity, it receives no funding from them other than grants they distribute on behalf of other funders.

The charity's small team manages a portfolio of activities that generate income to fund the projects we believe are of value to our clients, but which do not attract local authority funding. By engaging in a variety of fundraising methods we believe that we are reducing our risk and ensuring we do not become over-reliant on a single source of income generation.

Our biggest fundraising source remains grants and trusts and we are grateful for the support of The National Lottery Awards for All Fund, Hertfordshire Community Foundation, Hertsmere Borough Council, Watford Borough Council, Warburtons and Screwfix Foundation amongst others. We received generous grants from a number of donors to enable us to respond to the continuing affects of the Covid19 pandemic.

Many funders supported the refurbishment of our new hub in 92a, including a team from LinkedIn who raised money to pay for the soft play surface in the children's garden.

While our Watford 10k was delivered virtually in 2021, we re-started our face to face events with our Watford Santa Dash in December 2021. We were thrilled to be able to run a community event again, and we are grateful to Warner Brothers Studios Leavesden for their continued support for our two main fundraising events each year.

In addition, we have a calendar of smaller community events such as the Rickmansworth Pancake Race, quizzes and suppers and are pleased that support for these live events is growing after a break in being able to engage publicly. Atria Shopping Centre hosted a number of events to help raise funds and we were a beneficiary of their Give A Gift Appeal which is co-sponsored by Heart Hertfordshire Radio.

We really treasure our strong relationship with several local businesses such as Camelot, Warner Bros Studios Leavesden and Veale Wasbrough Vizards who provide us with financial, technical and practical support. We are also grateful to individual members of the local community that support us. Many make regular donations to us but prefer to remain anonymous.

We spent time this year to update our online presence, both as a fundraising tool as well as marketing our services and job opportunities. Engagement with our social media posts is increasing and we will use that momentum as part of our improved communication with supporters.

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FUNDRAISING ACTIVITIES – Continued

Our Bushey charity shop fully re-opened in September 2021 and has quickly re-established itself as a thriving retailer of quality goods. The shop manager Rose White is supported by a dedicated team of volunteers who give many hours and expertise to ensure we maximise the generous donations we receive.

We take great care to ensure that all our fundraising activities comply with the Fundraising Regulator's voluntary regulation scheme. The activities of our fundraising team are monitored by the fundraising manager and the chief executive. The team also works closely with supporters who wish to raise funds for the charity, providing support and guidance to ensure that events held in aid of our charity meet the requirements of the scheme. We seek to work in partnership with our supporters and to develop a long-term relationship with them. To this end, we consciously avoid exerting undue pressure on potential donors and do not participate in direct mailing or telephone solicitations. The fundraising team actively seeks feedback on its activities, both positive and negative, in order to keep improving our performance. We have a procedure to investigate any formal complaints received. This year we received no complaints about our fundraising activities.

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FINANCIAL REVIEW

Financial position

The charity ended the year with an overall surplus of £185,201.

This included an operating loss combined with exceptional non-capital expenditure, the profit on sale of a property and other non-operating gains.

The operating loss of £190,532 resulted primarily from the ongoing impact of the Covid pandemic. In particular, much necessary maintenance expenditure on residential homes had to be deferred from 2020-21, when access was restricted, to 2021-22. The increasing difficulty of recruiting to social care work and the need to cover shifts with agency staff has also had an impact. We are working to maintain the quality and range of our services within the funding available, but this is proving increasingly difficult.

In 2021-22, the operating loss was mitigated by the net financial impact of the move to 92A. There was a lot of remedial work which had to be done to the building which could not be capitalised. This totalled £198,081 and has been treated as an exceptional item. On the other hand, the charity was able to sell its office building to help finance the purchase of 92A and the associated improvement works and the profit on the sale amounted to £352,200.

We were also required to adjust our pension deficit provision downwards, releasing £56,014 and the final resolution of the sleep-in payments case allowed the release of the £165,600 provision which had been in place for a number of years.

The charity has successfully managed to achieve an operating surplus for many years. This will continue to be the aim and we hope to return to this position despite the difficult economic circumstances.

Further detail is provided in the notes to the financial statements and the reserves section regarding the restricted funds (funds legally restricted to specific projects); general funds (unrestricted); and designated funds (set aside by the Society for specific purposes).

Voluntary/other income covers all non-statutory sources of income, primarily fundraising, grants, legacies, donations, fees, rent, charity shop and eBay trading. These sources of income accounted for 19% (2020/21: 20%) of the charity's total income during the period.

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FINANCIAL REVIEW – Continued

The Individual Service Funds are received by the charity on behalf of the fund-holder and expended on services of the fund-holder's choice, be they Watford Mencap services or provided by some other organisation or individual. These funds do not impact the charity's year end results or the level of reserves.

The financial outlook remains challenging at the operating level with the need to complete the garden works at 92a Langley Road, along with current changes to HCC financial provider requirements, the ongoing impact of Covid 19 and the ongoing pressure on statutory funding sources expected to continue for several years. HCC remains the primary source of income (for both contract and grant income) in the year increasing to 81% compared to 80% in the previous year.

The charity continues to seek other sources of income, particularly through diversifying fundraising activity during the pandemic and expanding the fundraising team in September 2021 as well as continuing to develop structures and systems in order to be as cost efficient as possible. Structural management changes in January 2021 have had a positive impact on both quality and efficiency.

As noted above, the market in which the charity operates is becoming increasingly challenging. In the face of the Covid19 environment and national and ongoing social care recruitment and retention challenge, the Society had agreed a deficit budget for 2022-23. We currently see no need to review service provision. While the financial position is satisfactory, planning for future years with ongoing pressures to statutory funding is extremely difficult.

Investment policy and objectives

Aside from retaining a prudent amount in reserves each year, most of the charity's income is spent on the provision of services. Cash balances are held in bank current or deposit accounts or put on fixed term deposit. Investment income was £6,639 compared with £7,081 in 2020/21

The Investment Policy is for long-term reserves to be deposited or invested to grow at least in line with inflation, at low risk to capital. The remainder of reserves have an investment objective of preserving the capital value with a minimum level of risk.

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FINANCIAL REVIEW - Continued

Reserves policy

The Society had reserves of £2,468,264 at 31 March 2022 of which £26,534 was restricted, £2,395,217 was designated (which includes fixed assets) and £46,513 represented the unrestricted general funds.

The charity's Council of Management consider that it should hold reserves to cover the cost of re-housing Service Users in the event that no further income is provided to Watford Mencap for the Support at home, housing services. In order to be able to realise the value of the freehold properties, it would be necessary to re-furbish and/or remodel the existing accommodation. There would be redundancy and related staff costs if the charity were to close these services, as well as exit costs relating to termination of services, property leases, dilapidations, etc.

Taken together, these costs are estimated to be equivalent to 6 months' operational expenditure.

Budgeted expenditure for 2022-23 is £3.2m and on this basis, the unrestricted reserves should therefore be £1.6m which is comfortably covered by the actual figure of £2,441,730.

Change of date

Last year the reporting date of the charity was changed to 1 April. Due to exceptional circumstances regarding the purchase of 92a Langley Road Trustees made the decision to extend the reporting period by one day and include 1st April 2021 as the final day of the reporting period.

This decision was made in order to reflect the work involved and associated costs of the purchase of 92a Langley Road which took place on 1st April 2021. While the transaction completed in April, to reach that point the project consumed considerable resources throughout the year, significant costs were incurred and irrevocable refurbishment contracts were entered into. It therefore seemed essential to include the acquisition of the asset in the accounts for the year to reflect the substantive situation at the year end.

The final day of the reporting period has returned to 31 March 2022, for this year.

Auditor

The company’s auditor, Mercer & Hole, incorporated on 1 October 2022 to become Mercer & Hole LLP. The directors have consented to treating the incorporation of Mercer & Hole LLP as a continuation of the existing audit arrangement and in accordance with the company's articles, a resolution proposing that Mercer & Hole LLP be reappointed as auditor of the company will be put at a General Meeting.

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FUTURE PLANS

In preparing the plans for 2022/23, a number of factors were taken into account:

- The current policy and regulatory environment concerning social care and learning disability
- The demographic outlook and changing needs of the local population
- The impact of the external environment on Watford Mencap
- The need to roll forward the objectives from previous years which were not achieved but remain relevant
- The actions identified as priorities by the risk management process
- The actions required to sustain and improve individual services

We were able to return to our usual face to face trustee and senior management team strategy and business planning days facilitated by Katie Thorpe, an external facilitator. We also considered a range of current stakeholder feedback, including our graphic facilitation events, feedback from our regular coffee mornings, staff forum and management team. This resulted in an update of the charity's 5-year plan and the setting of priority areas of work for the 2022-23 Business Plan.

Our vision for the next year

Doing It Together - People with learning disabilities will be at the heart of everything thing we do

- **Living our values**

We will remain a strong and vibrant charity, living our values, involving people with learning disabilities, so we continue to provide high quality support to people with learning disabilities and their carers.

- **Serving our community**

Our work is primarily based in Watford, Three Rivers and Hertsmere. We are open to opportunities beyond this area through new partnerships, where these are beneficial to the aims of Watford Mencap and the people we support – or there is evidenced need and available funding.

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FUTURE PLANS – Continued

- **Being person centred**

We offer a range of services and support options from cradle to grave with an emphasis on enhancing people's skills and ability to take personal responsibility. We want to ensure people are active, valued members of society who are supported by a range of services within their local community.

- **Targeting our influence**

We proactively seek opportunities to develop new services, funding and new ways of influencing/ campaigning for people with learning disabilities.

- **Evolving our services**

Our services will continue to evolve to enable them to meet the needs of an increasing population with more complex and higher needs.

- **Valuing our people**

We will develop and support our skilled and committed workforce to be customer focused, flexible, proactive, and responsive to people's needs.

Volunteers are an integral part of our workforce.

- **Building the infrastructure**

Our developing service delivery will be supported and sustained by a responsive, flexible and resilient infrastructure.

- **Securing funding**

Our Commissioned Services will be self-funding and open to possibilities of new opportunities. A robust and responsive fundraising and income generation strategy will generate income to support the expansion of our advice and information and learning and leisure non-commissioned services.

Practically this sits as 4 key areas of focus on our 2022/23 business plan

- Serving our Community
- Valuing and supporting our staff and volunteers
- Living our values
- Evolving our services

All within the challenges of managing and working with the ongoing Covid 19 pandemic and the national social care recruitment and retention crisis.

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STRUCTURE, GOVERNANCE AND MANAGEMENT

Governing document

Established in the 1950s, the organisation is a charitable company limited by guarantee, incorporated on 9 August 1991 and originally registered as a charity on 15 October 1991. The company was established under a Memorandum of Association, which sets out the object and powers of the charitable company and is governed under its Articles of Association. In the event of the company being wound up, members are required to contribute an amount not exceeding £1. There were 70 members as at 1 April 2022.

Recruitment and appointment of trustees (Council of Management)

The directors of the company are also charity trustees for the purposes of charity law and under the company's Articles are known as members of the Council of Management. Under the requirements of the Memorandum and Articles of Association, the members of the Council of Management are elected to serve for a period of three years, after which they must be re-elected at the next Annual General Meeting.

A full list of members of the Council of Management who served during the year and up to the date of this report is set out on page 1. Mindful of the focus of the charity's work on the needs of those with learning disabilities and their families, the Council of Management seeks to ensure that user and carer views are represented alongside wider business and organisational skills on the Council of Management.

Organisational structure

The Council of Management consists of up to 12 members who meet quarterly and are who are responsible for the strategic direction of the charity. At 1 April 2022, the Council of Management had 6 full members and 3 co-opted advisors - drawn from a variety of backgrounds relevant to the work of the charity - including family carers.

Day to day responsibility for provision of the services is delegated to the Chief Executive who leads the Senior Management Team. This team is responsible for ensuring that the charity delivers the business plan and that key performance indicators are met.

Monitoring of operational performance is undertaken by the Finance and Audit Committee as well as the Council of Management.

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STRUCTURE, GOVERNANCE AND MANAGEMENT - Continued

Induction and training of trustees (Council of Management)

A trustee induction pack and programme are in place to ensure that all new trustees and co-opted advisors are made aware of their roles and responsibilities. This includes helping them understand their role and duties; providing copies of relevant documentation such as the Memorandum and Articles of Association, Business and Operational Plans, and accounts; and visiting sites and services, including meeting all senior managers and ensuring compliance with the 2017 Code of Governance.

Royal Mencap

Watford Mencap is an independent charity, affiliated to the umbrella organisation Royal Mencap. Watford Mencap pays an annual affiliation fee for the right to use the Mencap name and must also comply with the requirements of the Royal Mencap Partnership Agreement which sets out minimum standards in terms of policies and procedures for organisations using the Mencap name.

There is no financial support from the national organisation, but it does have the power, under the Articles of Association, to dismiss trustees who bring the Mencap name into disrepute.

Risk management

The Council of Management regularly reviews the major risks to which the charity is exposed. A risk register outlines these risks, and the systems, procedures or actions to be taken in mitigation. The register is regularly updated, is reviewed quarterly by the Finance and Audit Committee and Council of Management and is included in the annual Business Plan.

External risks to funding are constantly monitored and alternative income sources sought. Regulatory and legal requirements are implemented and monitored to ensure the delivery of consistently high-quality services. Internal control risks are minimised by strict authorisation and monitoring procedures.

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STATEMENT OF TRUSTEES RESPONSIBILITIES

The trustees (who are also the directors of Watford and District Mencap Society for the purposes of company law) are responsible for preparing the Report of the Trustees 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. Under company law the trustees must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the charitable company and of the incoming resources and application of resources, including the income and expenditure, of the charitable company 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 Charity SORP 2019 (FRS 102);
- make judgements 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 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 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 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 auditors are unaware; and
- The trustees have taken all the steps that they ought to have taken in order to make themselves aware of any relevant audit information and to establish that the auditor is aware of that information.

AUDITORS

The auditors, Mercer & Hole LLP, will be proposed for re-appointment at the forthcoming Annual General Meeting.

This report has been prepared in accordance with the special provisions of Part 15 of the Companies Act 2006 relating to small companies.

Approved by order of the board of trustees on 9/12/2022 and signed on its behalf by:

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Mr R F Jones - Chair

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REPORT OF THE INDEPENDENT AUDITORS TO THE MEMBERS OF

WATFORD AND DISTRICT MENCAP SOCIETY

Opinion

We have audited the financial statements of Watford and District Mencap Society for the year ended 31 March 2022 which comprise the statement of financial activities, the balance sheet, the statement of cash flows and the notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the charitable company's affairs as at 31 March 2022 and of its incoming resources and application of resources, including its income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

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

Conclusions relating to going concern

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

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

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

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Other information

The other information comprises the information included in the trustees annual report, other than the financial statements and our auditor's report thereon. The trustees are responsible for the other information contained within the annual report. 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. 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 course of 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 this gives rise to a material misstatement in the financial statements themselves. 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.

Opinion 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 directors' report) for the financial year for which the financial statements are prepared is consistent with the financial statements; 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 charitable company and its environment obtained in the course of the audit, we have not identified material misstatements in the report of the trustees.

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:

- adequate accounting records have not been kept by the charitable company, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of trustees' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit; or
- the trustees were not entitled to prepare the financial statements in accordance with the small companies' regime and take advantage of the small companies' exemptions in preparing the directors' report and from the requirement to prepare a strategic report.

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Responsibilities of trustees

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

In preparing the financial statements, the trustees are responsible for assessing the 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 charitable company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in 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 specific procedures for this engagement and the extent to which these are capable of detecting irregularities, including fraud is detailed below.

Explanation as to what extent the audit was considered capable of detecting irregularities including fraud

We gained an understanding of the legal and regulatory framework applicable to the company and the industry in which it operates and considered the risk of acts by the company that were contrary to applicable laws and regulations, including fraud. These included, but were not limited to, the Companies Act 2006 and tax legislation.

We evaluated management's incentives and opportunities for fraudulent manipulation of the financial statements and the financial report (including the risk of override of controls), and determined that the principal risks were related to posting inappropriate entries including journals to overstate revenue or understate expenditure and management bias in accounting estimates.

Audit procedures performed by the engagement team included:

- discussions with management, including considerations of known or suspected instances of non-compliance with laws and regulations and fraud;
- gaining an understanding of management's controls designed to prevent and detect irregularities; and
- identifying and testing journal entries.

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Owing to the inherent limitations of an audit, there is an unavoidable risk that we may not have detected some material misstatements in the financial statements, even though we have properly planned and performed our audit in accordance with auditing standards. For example, the further removed non-compliance with laws and regulations (irregularities) is from the events and transactions reflected in the financial statements, the less likely the inherently limited procedures required by auditing standards would identify it. In addition, as with any audit, there remained a higher risk of non-detection of irregularities, as these may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal controls. We are not responsible for preventing non- compliance and cannot be expected to detect non-compliance with all laws and regulations.

A further description of our responsibilities is available on the Financial Reporting Council's website at: https:// www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditor's report.

Use of our report

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

The maintenance and integrity of the Watford and District Mencap Society website is the responsibility of the trustees; the work carried out by the auditors does not involve consideration of these matters and, accordingly, the auditors accept no responsibility for any changes that may have occurred to the financial statements since they were initially presented on the website.

DocuSigned by:
Jolene Upshall
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Date: 14/12/2022

Jolene Upshall FCA
for and on behalf of Mercer & Hole LLP
Chartered Accountants
Trinity Court
Church Street
Rickmansworth
Hertfordshire
WD3 1RT

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WATFORD AND DISTRICT MENCAP SOCIETY

STATEMENT OF FINANCIAL ACTIVITIES (INCLUDING INCOME AND EXPENDITURE ACCOUNT)

FOR THE YEAR ENDED 31 MARCH 2022

	Notes	General funds	Designated funds	Restricted funds	Total funds 31.03.22	Total funds 01.04.21 Restated
		£	£	£	£	£
INCOME						
Donations and legacies	3	**43,514**	**30,491**	**-**	**74,005**	47,866
Charitable activities	6					
From public authorities		**2,061,554**	**-**	**336,098**	**2,397,652**	2,467,084
Grants		**48,466**	**-**	**83,307**	**131,773**	288,231
Rental income		**112,303**	**-**	**-**	**112,303**	141,811
Fees for using facilities and services		**124,892**	**-**		**124,892**	85,543
Café income		**21,321**	**-**	**-**	**21,321**	-
Other trading activities	4	**79,184**	**-**	**-**	**79,184**	47,742
Investment income	5	**6,639**	**-**	**-**	**6,639**	7,081
Other income		**1,662**	**-**	**-**	**1,662**	1,658
Total		**2,499,535**	**30,491**	**419,405**	**2,949,431**	3,087,016
EXPENDITURE						
Cost of Raising funds	7					
Fundraising activities		**73,539**	**-**	**-**	**73,539**	65,271
Other trading activities		**45,790**	**-**	**4,763**	**50,553**	39,656
Charitable activities	8					
Advice and information		**48,714**	**-**	**42,000**	**90,714**	98,795
Learning and leisure		**559,293**	**-**	**36,544**	**595,837**	515,784
Right support		**1,993,222**	**-**	**336,098**	**2,329,320**	1,954,197
Total		**2,720,558**	**-**	**419,405**	**3,139,963**	2,673,703
Net (expenditure) income	9	**(221,023)**	**30,491**	**-**	**(190,532)**	413,313
Exceptional Item	10	**(198,081)**	**-**	**-**	**(198,081)**	(237,600)
Transfers between funds	21	**(173,487)**	**173,487**	**-**	**-**	-
OTHER RECOGNISED GAINS						
Release of sleep-in payments provision	19	**165,600**	**-**	**-**	**165,600**	-
Actuarial gains relating to pension scheme deficit	19	**56,014**	**-**	**-**	**56,014**	-
Gain on disposal of fixed assets	14	**352,200**	**-**	**-**	**352,200**	-
Net movement in funds		**(18,777)**	**203,978**	**-**	**185,201**	175,713
RECONCILIATION OF FUNDS						
Total funds brought forward	13	**65,290**	**2,191,239**	**26,534**	**2,283,063**	2,107,350
TOTAL FUNDS CARRIED FORWARD	20	**46,513**	**2,395,217**	**26,534**	**2,468,264**	2,283,063

All income and expenditure has arisen from continuing activities.

The notes form part of these financial statements

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WATFORD AND DISTRICT MENCAP SOCIETY

BALANCE SHEET

AT 31 MARCH 2022

	Notes	31.03.22 £	01.04.21 £
FIXED ASSETS			
Tangible assets	14	**2,196,524**	2,831,114
CURRENT ASSETS			
Debtors	15	**175,424**	65,852
Cash at bank		**1,059,449**	1,592,557
		1,234,873	1,658,409
CREDITORS			
Amounts falling due within one year	16	**(679,154)**	(885,514)
NET CURRENT ASSETS		**555,719**	772,895
TOTAL ASSETS LESS CURRENT LIABILITIES		**2,752,243**	3,604,009
CREDITORS			
Amounts falling due after more than one year	17	**(254,013)**	(1,040,237)
PROVISIONS	19	**(29,966)**	(280,709)
NET ASSETS		**2,468,264**	2,283,063
FUNDS	21		
Unrestricted funds		**2,441,730**	2,256,529
Restricted funds		**26,534**	26,534
TOTAL FUNDS		**2,468,264**	2,283,063

These financial statements have been prepared in accordance with the special provisions of Part 15 of the Companies Act 2006 relating to small charitable companies.

9/12/2022

The financial statements were approved by the Board of Trustees on ..... and were signed on its behalf by:

DocuSigned by:
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Mr R F Jones –Trustee (Chair)

DocuSigned by:
Pauline Joy
24AF17239797431...
Mrs P Joy –Trustee (acting Vice Chair, Treasurer)

REGISTERED COMPANY NUMBER: 02636705 (England and Wales)
REGISTERED CHARITY NUMBER: 1004431

The notes form part of these financial statements

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WATFORD AND DISTRICT MENCAP SOCIETY

CASH FLOW STATEMENT

FOR THE YEAR ENDED 31 MARCH 2022

	Notes	31.03.22 £	01.04.21 £
Cash flows from operating activities:			
Net cash (used in) provided by operating activities	28	**(704,170)**	863,772
Interest paid		**(30,897)**	-
Cash flows from investing activities:			
Interest received		**6,639**	7,081
Acquisition of property	14	**(131,569)**	(1,666,850)
Proceeds on disposal of property	14	**1,107,089**	-
Net cash provided by (used in) investing activities		**982,159**	(1,659,769)
Cash flows from financing activities:			
Repayment of bank loans	18	**(780,200)**	-
Proceeds from new bank loans	18	**-**	1,040,237
Net cash (used in) provided by financing activities		**(780,200)**	1,040,237
Change in cash and cash equivalents in the reporting period		**(533,108)**	244,240
Cash and cash equivalents at the beginning of the reporting period		**1,592,557**	1,348,317
Cash and cash equivalents at the end of the reporting period		**1,059,449**	1,592,557

The notes form part of these financial statements

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1. COMPANY INFORMATION

Watford and District Mencap Society is a public benefit entity registered as a charity in England and Wales and a company limited by guarantee. It was incorporated on 9 August 1991 (company number: 02636705) and registered as a charity on 15 October 1991 (charity number: 1004431).

The company was established under a Memorandum of Association which established the objects and powers of the charitable company and is governed under its Articles of Association.

In the event of the charitable company being wound up, members are required to contribute an amount not exceeding £1 each.

The registered office of the charity is: 92a Langley Road, Watford, Hertfordshire, England, WD17 4PJ.

2. ACCOUNTING POLICIES

Basis of preparing the financial statements

The financial statements of the charitable company, which is a public benefit entity under FRS 102, have been prepared in accordance with the Charities SORP (FRS 102) 'Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their financial statements in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2019)', Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' and the Companies Act 2006. The financial statements have been prepared under the historical cost convention. Assets and liabilities are initially recognised at historical cost or transaction value unless otherwise stated in the relevant accounting policy note(s).

The accounting period covers from 2 April 2021 to 31 March 2022 which is considered a year for purposes for these financial statements. As permitted by the Charities Act 2011 and Companies Act 2006, the year end per the financial statements is within seven days of the Accounting Reference Date of 31 March 2022.

Preparation of the financial statements on a going concern basis

The financial statements are drawn up on the going concern basis which assumes Watford and District Mencap Society will continue in operational existence for the foreseeable future. The Council of Management have given due consideration to the working capital and cash flow requirements of Watford and District Mencap Society. The Council of Management consider Watford and District Mencap Society's current and forecast cash

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2. ACCOUNTING POLICIES CONTINUED

resources to be sufficient to cover the working capital requirements of the charity for at least 12 months from the date of signing the financial statements.

Critical accounting judgements and key sources of estimation uncertainty

The preparation of the financial statements requires the Council of Management to make judgements, estimates and assumptions that affect the amounts reported for assets and liabilities as at the balance sheet date and the amounts reported for income and expenditure during the period. However, the nature of estimation means that actual outcomes could differ from those estimates.

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

Income

Income is recognised when the charity has entitlement to the funds, any performance conditions attached to the item(s) of income have been met, it is probable that the income will be received and the amount can be measured reliably. Income received in advance of a service is deferred until the criteria for income recognition are met. Income arises in the United Kingdom.

Income from government and other grants, whether 'capital' grants or 'revenue' grants, is recognised when the charity has entitlement to the funds, any performance conditions attached to the grants have been met, it is probable that the income will be received and the amount can be measured reliably and is not deferred.

For legacies, entitlement is taken as the earlier of the date on which either: 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 Trust 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. Where legacies have been notified to the charity, or the charity is aware of the granting of probate, and the criteria for

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2. ACCOUNTING POLICIES - continued

income recognition have not been met, then the legacy is a treated as a contingent asset and disclosed if material.

Gifts in kind are valued at estimated value to the charity. They are included in the charity's financial statements if the estimated value is in excess of £500.

Interest receivable on funds held on deposit is included when receivable and the amount can be measured reliably by the charity; this is normally upon notification of the interest paid or payable by the bank.

Unrestricted charitable donations are recognised in the financial statements when the charitable donation has been received or if before receipt, there is sufficient evidence to provide the necessary certainty that the donation will be received and the value of the incoming resources can be measured with sufficient reliability.

Donated professional services and facilities are recognised as income when the charity has control over the item, any conditions associated with the donated item have been met, the receipt of economic benefit from the use by the charity of the item is probable and that economic benefit can be measured reliably. In accordance with the Charities SORP (FRS 102), the general volunteer time is not recognised. On receipt, donated professional services and facilities are recognised on the basis of the value of the gift to the charity which is the amount the charity would have been willing to pay to obtain services or facilities of equivalent economic benefit on the open market; a corresponding amount is then recognised in expenditure in the period of receipt.

Expenditure

Liabilities are recognised as expenditure as soon as there is a legal or constructive obligation committing the charity to that expenditure, it is probable that a transfer of economic benefits will be required in settlement and the amount of the obligation can be measured reliably. Expenditure is accounted for on an accruals basis and has been classified under headings that aggregate all costs related to the category. Where costs cannot be directly attributed to particular headings they have been allocated to activities on a basis consistent with the use of resources. A further analysis of this expenditure is given in the notes to the financial statements.

- Cost of raising funds comprises fundraising activities and commercial trading, including their associated support costs.
- Expenditure on charitable activities includes the costs of the charity's services undertaken to further the purpose of the charity and their associated support costs.
- Other expenditure represents those items not falling into any other heading.

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2. ACCOUNTING POLICIES - continued

Tangible fixed assets

Tangible fixed assets, are initially measured at historic cost and subsequently carried at cost less accumulated depreciation and any accumulated impairment losses. All costs incurred to bring an asset into its intended working condition are included in the measurement of cost. Assets are capitalised where the purchase price exceeds £500. The cost of properties is their purchase price together with the cost of improvement works.

At the reporting date, the Council of Management assess, without actually revaluing those assets, whether there is any indication that an asset may be impaired. An impairment loss is recognised if the recoverable amount of an asset is less than its carrying amount.

Depreciation is provided at rates calculated to write down the cost of each asset to its residual value (its scrap or realistic value at the end of its economic life) on a systematic basis over its useful economic life. The assets' residual values and useful lives are reviewed, and adjusted, if appropriate, at the end of each reporting period. The effect of any change is accounted for prospectively.

The main depreciation rates in use are as follows:

- Land - 0% assumed to have an unlimited useful life
- Freehold property - 2% on cost
- Fixtures and fittings - 25% reducing balance
- Motor vehicles - 33% reducing balance

Freehold properties acquired prior to 1 April 1996 are not depreciated as the historical cost between land and buildings cannot be reliably segregated. The Council of Management are satisfied, as the freehold properties are maintained to a good standard, that the aggregate value of the freehold properties at the reporting date is not less than the aggregate amount at which they are stated in the charity's financial statements. The freehold properties are accordingly stated in the financial statements on the basis that the residual value is greater than the asset's carrying amount and the depreciation charge is zero until its residual value subsequently decreases to an amount below the carrying amount.

Cash and cash equivalents

Cash and cash equivalents include cash in hand, deposits held at call with banks, other short-term liquid investments with original maturities of three months or less, and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities.

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2. ACCOUNTING POLICIES - continued

Taxation

The charity is an institution which is established for charitable purposes within the meaning of the Charities Act 2011 and as such is a charity within the meaning of Para 1 of Schedule 6 to the Finance Act 2010. Accordingly, the charity is potentially exempt from taxation in respect of income or capital gains received within categories covered by Sections 478-488 of the Corporation Tax Act 2010 (formerly enacted in Section 505 of the Income and Corporation Taxes Act 1988) or Section 256 of the Taxation of Chargeable Gains Act 1992 to the extent that such income or gains are applied to exclusively charitable purposes. The charity receives no similar exemption in respect of Value Added Tax.

The charity is exempt from corporation tax on its charitable activities.

The charity is not registered for VAT, as the Council of Management consider the charity's incoming resources are exempt from VAT. VAT is included within the attributable cost under resources expended.

Pension costs and other post-retirement benefits

The charity made contributions to a defined benefit pension scheme on behalf of its employees up to September 2001. See note 25 for further information regarding this scheme.

The charity operates a defined contribution pension scheme. The assets of the scheme are held separately from those of the charity in an independently administered fund. The pension costs represent contributions payable under the scheme by the charity to the fund. The charity has no liability under the scheme other than for the payment of those contributions.

Contributions outstanding at the balance sheet date amounted to £nil (2021: £nil).

Operating leases

Rentals under operating leases are charged on a straight-line basis over the lease term, even if the payments are not made on such a basis. Benefits received and receivable as an incentive to sign an operating lease are similarly spread on a straight-line basis over the lease term which runs to the date of the first relevant break clause.

Provision

Provision is made for present obligations where it is probable settlement will be required in the future and the amount can be estimated reliably, but the amount or timing is not certain.

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2. ACCOUNTING POLICIES - continued

The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the reporting end date, taking into account the risks and uncertainties surrounding the obligation. Where the effect of the time value of money is material, the amount expected to be required to settle the obligation is recognised at present value. When a provision is measured at present value, the unwinding of the discount is recognised as a finance cost in net income/(expenditure) in the period in which it arises.

Basic financial instruments

Financial assets (including cash and debtors) and financial liabilities are recognised when the charity becomes a party to the contractual provisions of the instrument. Additionally, all financial assets and liabilities are classified according to the substance of the contractual arrangements entered into.

Financial assets and liabilities are initially measured at transaction price (including transaction costs) and are subsequently remeasured where applicable at amortised cost.

Financial assets include cash, trade debtors and other debtors.

Financial liabilities include trade creditors, other creditors and accruals.

Fund accounting

General funds are available to spend on activities that further any of the purposes of the charity.

Designated funds are unrestricted funds of the charity which the Council of Management have decided at their discretion to set aside to use for a specific purpose.

Restricted funds are donations which the donor has specified are to be solely used for particular areas of the charity's work or for specific projects being undertaken by the charity.

Further explanation of the nature and purpose of each fund is included in note 21.

Funds are reviewed annually by the Council of Management and transfers are made between funds in order to meet the strategic objectives of the charity's business plan.

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3. DONATIONS AND LEGACIES

	31.03.22	01.04.21
	£	£
Donations	**43,514**	46,894
Legacies	**30,491**	972
	74,005	47,866

4. OTHER TRADING ACTIVITIES

	31.03.22	01.04.21
	£	£
Shop income	**56,475**	19,841
Other fundraising activities	**22,709**	27,901
	79,184	47,742

5. INVESTMENT INCOME

	31.03.22	01.04.21
	£	£
Bank and Building Society interest	**6,639**	7,081

6. INCOME FROM CHARITABLE ACTIVITIES

	31.03.22	01.04.21
	£	£
From public authorities *	**2,397,652**	2,467,084
Grants	**131,773**	288,231
Rental income	**112,303**	141,811
Fees for using facilities and services	**124,892**	85,543
	2,766,620	2,982,669

* Includes income generated by the Fundraising team participating in Hertfordshire County Council tenders.

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7. COSTS OF RAISING FUNDS

Fundraising activities

	31.03.22	01.04.21
	£	£
Raising income	**73,539**	65,271

Other trading activities

	31.03.22	01.04.21
	£	£
Fundraising trading: cost of goods sold and other costs		
Shop expenditure	**50,553**	39,656
Aggregate fund raising expenditure	**124,092**	104,927

8. CHARITABLE ACTIVITIES COSTS

	Direct costs	**Support costs**	**Total 31.03.22**	Total 01.04.21
	£	**£**	**£**	£
Advice and information	**71,244**	**19,470**	**90,714**	98,795
Learning and leisure	**544,367**	**51,470**	**595,837**	515,784
Right support	**1,605,563**	**723,757**	**2,329,320**	1,954,197
	2,221,174	**794,697**	**3,015,871**	2,568,776

9. NET INCOME

Net income is stated after crediting/(charging):

	31.03.22	01.04.21
	£	£
Occupancy lease income	**112,302**	141,811
Depreciation - owned assets (note 14)	**(11,270)**	(7,366)
Auditor's remuneration – audit	**(7,900)**	(7,100)
Auditor's remuneration – non-audit	**(2,270)**	(1,200)
Occupancy licence/lease costs	**(50,049)**	(95,423)

10. EXCEPTIONAL ITEM

The exceptional item relates to non-capital significant refurbishment of the new community hub at 92a Langley Road.

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11. TRUSTEES' REMUNERATION AND BENEFITS

No trustees' remuneration or other benefits were paid either for the year ended 31 March 2022 or the previous year.

No trustee received payment for professional or other services supplied to the charity. Unrestricted donations totalling £75 were received from trustees in the year.

The trustees were able to use services used generally by beneficiaries and members of the charity.

Trustees' expenses

No trustees' expenses were paid, either for the year ended 31 March 2022 or the previous year.

12. STAFF COSTS

Total staff costs were as follows:

	31.03.22	01.04.21
	£	£
Wages and salaries	**1,879,550**	1,820,300
Social security costs	**129,309**	131,586
Pension costs (note 19)	**37,326**	39,007
	2,046,185	1,990,893

The average number of employees during the year was as follows:

	31.03.22	01.04.21
Office management	**25**	21
Support workers	**133**	113
	158	134

One employee received emoluments in excess of £60,000 (2021: None).

The charity pays contributions into a group scheme with the Pensions Trust. The pension cost for the year was £37,326 (2021: £39,007).

The key management personnel of the charity comprise the Council of Management, the Chief Executive, the Finance Manager, the HR Manager, the Head of Operations Manager and the Fundraising Manager. The total employee benefits, including pension contributions, of the key management personnel of the charity were £293,850 (2021: £236,801).

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13. COMPARATIVES FOR THE STATEMENT OF FINANCIAL ACTIVITIES

FOR THE YEAR ENDED 01 APRIL 2021 --RESTATED

	General funds £	Designated funds £	Restricted funds £	Total funds 01.4.21 £
INCOME				
Donations and legacies	47,866	-	-	47,866
Charitable activities				
From public authorities	1,915,151	-	551,933	2,467,084
Grants	208,382	-	79,849	288,231
Rental income	141,811	-	-	141,811
Fees for using facilities and services	85,543	-	-	85,543
Other trading activities	47,742	-	-	47,742
Investment income	7,081	-	-	7,081
Other income	1,658	-	-	1,658
Total	2,455,234	-	631,782	3,087,016
EXPENDITURE				
Raising funds				
Fundraising activities	65,271	-	-	65,271
Other trading activities	20,958	-	18,698	39,656
Charitable activities				
Advice and information	87,295	-	11,500	98,795
Learning and leisure	469,093	-	46,691	515,784
Right support	1,399,304	-	554,893	1,954,197
Total	2,041,921	-	631,782	2,673,703
NET INCOME	413,313	-	-	413,313
Exceptional item	(237,600)	-	-	(237,600)
Transfers between funds	(619,247)	619,247	-	-
Net movement in funds	(443,534)	619,247	-	175,713
RECONCILIATION OF FUNDS				
Total funds brought forward	508,824	1,571,992	26,534	2,107,350
TOTAL FUNDS CARRIED FORWARD	65,290	2,191,239	26,534	2,283,063

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14. TANGIBLE FIXED ASSETS

	Land and buildings	Fixtures and fittings	Motor vehicles	Totals
	£	£	£	£
COST				
At 2 April 2021	**2,861,639**	**97,870**	**29,850**	**2,989,359**
Addition	**131,569**	**-**	**-**	**131,569**
Disposal	**(790,684)**	**-**	**-**	**(790,684)**
At 31 March 2022	**2,202,524**	**97,870**	**29,850**	**2,330,244**
DEPRECIATION				
At 2 April 2021	**30,525**	**97,870**	**29,850**	**158,245**
Charge for year	**11,270**	**-**	**-**	**11,270**
Eliminated on disposal	**(35,795)**	**-**	**-**	**(35,795)**
At 31 March 2022	**6,000**	**97,870**	**29,850**	**133,720**
NET BOOK VALUE				
At 31 March 2022	**2,196,524**	**-**	**-**	**2,196,524**
At 1 April 2021	2,831,114	-	-	2,831,114

Included in cost of land and buildings is freehold property of £850,000 (2021: £730,385). During the year, one of the charity's properties was sold for £1,107,089. The net book value of this property at the date of sale was £754,889 so a gain on disposal of £352,200 has been recognised in the accounts.

15. DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	31.03.22	01.04.21
	£	£
Trade debtors	**172,424**	61,256
Prepayments and accrued income	**3,000**	4,596
	175,424	65,852

16. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

		31.03.22	01.04.21
		£	£
Trade creditors		**122,662**	88,962
Other creditors		**45,375**	63,234
Individual service funds		**136,623**	141,553
Accruals		**317,947**	520,060
Deferred income		**50,523**	71,705
Bank loans	18	**6,024**	-
		679,154	885,514

Deferred income relates to amounts deferred on grants where the grant conditions were not met at the year-end.

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17. CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR

		31.03.22	01.04.21
		£	£
Bank loans	18	**254,013**	1,040,237
		254,013	1,040,237

18. BORROWINGS

	31.03.22	01.04.21
	£	£
Loans	**260,037**	1,040,237
Payable within one year	**6,024**	-
Payable after one year	**254,013**	1,040,237

Amounts included above which fall due after five years:

Payable by instalments	**224,309**	914,783

The loan is secured over the assets and undertakings of the charity by way of fixed and floating charges.

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19. PROVISIONS

	31.03.22	01.04.21
	£	£
Sleep-in payments	**-**	165,600
Pension deficit funding arrangement	**29,966**	115,109
	29,966	280,709

Sleep in payments provision – the provision was originally set up in 2018 following a case that was taken to court regarding payment of the national minimum wage rate for every hour of sleep-in shifts. In March 2021, the Supreme Court ruled that workers do not need to be paid at this rate and so the provision was released in full in the year.

Pension deficit funding arrangement
Reconciliation of opening and closing provision

	31.03.22	01.04.21
	£	£
Provision at start of period	**115,109**	136,388
Unwinding of the discount factor (interest expense)	**664**	3,066
Deficit reduction payment	**(29,129)**	(28,281)
Remeasurements - impact of changes in assumptions	**(689)**	3,936
Remeasurements - amendments to the contribution schedule	**(55,989)**	**-**
Provision at end of period	**29,966**	115,109

Income and expenditure impact

	31.03.22	01.04.21
	£	£
Unwinding of the discount factor (interest expense)	**664**	-
Remeasurements - impact of changes in assumptions	**(689)**	-
Remeasurements - amendments to the contribution schedule	**(55,989)**	-
Actuarial gains relating to pension scheme deficit	**(56,014)**	-
Contributions paid (see note below)	**37,326**	39,007
Costs recognised in staff costs	**37,326**	39,007

Note
Includes payments in respect of a defined contribution scheme and service contributions (i.e. excluding deficit reduction payments) in respect of a defined benefit scheme which is now treated as a defined contribution scheme.

More details are disclosed in the pensions note 25.

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20. ANALYSIS OF NET ASSETS BETWEEN FUNDS

Current year	General funds	Designated funds	Restricted funds	Total funds 31.03.22
	£	£	£	£
Fixed assets	-	2,196,524	-	2,196,524
Current assets	749,609	458,730	26,534	1,234,873
Current liabilities	(673,130)	(6,024)	-	(679,154)
Non-current liabilities	-	(254,013)	-	(254,013)
Provision	(29,966)	-	-	(29,966)
	46,513	2,395,217	26,534	2,468,264

Comparative year	General funds	Designated funds	Restricted funds	Total funds 01.04.21
	£	£	£	£
Fixed assets	-	2,831,114	-	2,831,114
Current assets	1,231,513	400,362	26,534	1,658,409
Current liabilities	(885,514)	-	-	(885,514)
Non-current liabilities	-	(1,040,237)		(1,040,237)
Provision	(280,709)	-	-	(280,709)
	65,290	2,191,239	26,534	2,283,063

21. MOVEMENT IN FUNDS

Current year	At 02.04.21	Income	Expenditure	Other gains and losses	Transfers	At 31.03.22
		£	£	£	£	£
Unrestricted funds						
General funds	65,290	2,499,535	(2,918,639)	573,814	(173,487)	46,513
Designated - Repairs and building	75,653	-	-	-	-	75,653
Designated - Charles Hatch Bequest	25,122	-	-	-	-	25,122
Designated – Malcom legacy	-	30,491	-	-	-	30,491
Designated - Transport	34,372	-	-	-	-	34,372
Designated - Tangible fixed assets	1,790,877	-	-	-	145,610	1,936,487
Designated - Pension	265,215	-	-	-	27,877	293,092
	2,256,529	2,530,026	(2,918,639)	573,814	-	2,441,730
Restricted funds						
Advice	-	42,000	(42,000)	-	-	-
Afterschool Club	-	13,320	(13,320)	-	-	-
Berrywood	-	-	-	-	-	-
Café	-	17,224	(17,224)	-	-	-
Hertfordshire Mencaps	1,284	-	-	-	-	1,284
Individual Service Funds	-	336,098	(336,098)	-	-	-
Hillside	-	-	-	-	-	-
Learning and leisure	-	6,000	(6,000)	-	-	-
Legacy	25,250	-	-	-	-	25,250
Shop		4,763	(4,763)	-	-	-
Technology	-	-	-	-	-	-
	26,534	419,405	(419,405)	-	-	26,534
TOTAL FUNDS	2,283,063	2,949,431	(3,338,044)	573,814	-	2,468,264

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21. MOVEMENT IN FUNDS - continued

Comparative year	At 01.04.20 £	Income £	Expenditure £	Transfers between funds £	At 01.04.21 £
Unrestricted funds					
General funds	508,824	2,455,234	(2,279,521)	(619,247)	65,290
Designated - Repairs and building	75,653	-	-	-	75,653
Designated - Charles Hatch Bequest	25,122	-	-	-	25,122
Designated - Transport	34,372	-	-	-	34,372
Designated - Tangible fixed assets	1,171,630	-	-	619,247	1,790,877
Designated - Pension	265,215	-	-	-	265,215
	2,080,816	2,455,234	(2,279,521)	-	2,256,529
Restricted funds					
Advice	-	11,500	(11,500)	-	-
Afterschool Club	-	36,287	(36,287)	-	-
Berrywood	-	987	(987)	-	-
Hertfordshire Mencaps	1,284	-	-	-	1,284
Individual Service Funds	-	551,933	(551,933)	-	-
Hillside	-	1,973	(1,973)	-	-
Learning and leisure	-	6,250	(6,250)	-	-
Legacy	25,250	-	-	-	25,250
Shop	-	18,698	(18,698)	-	-
Technology	-	4,154	(4,154)	-	-
	26,534	631,782	(631,782)	-	26,534
TOTAL FUNDS	2,107,350	3,087,016	(2,911,303)	-	2,283,063

Unrestricted funds:

General funds are the "free" reserves after allowing for all designated funds.

Designated funds are amounts that have been put aside at the discretion of the Council of Management for specific purposes, as follows:

Repairs and building - funds set aside for the maintenance of and future liabilities arising from the properties owned and managed by the charity.

Charles Hatch Bequest - funds from which, at the discretion of the Council of Management, small grants may be made to people with disabilities who are in urgent need.

Malcom Legacy - funds from which, at the discretion of the Council of Management, will be used for garden works and the play barn.

Transport - funds set aside to replace the charity's vehicles at the end of their useful lives.

Tangible fixed assets - funds set aside to replace the charity’s assets at the end of their useful lives.

Pension - funds set aside to cover potential employer debt on withdrawal from pension scheme.

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21. MOVEMENT IN FUNDS – continued

Restricted funds:

The restricted funds of the charity are all income funds. The funds are subject to conditions imposed by the donors and are for the following reasons:

Advice – Funds restricted for direct costs of providing advice and information service

Afterschool club – funds restricted for the direct costs involved with providing after school activities for children and young people.

Berrywood – Funds restricted for the direct costs involved in the residential care home

Café – Funds restricted for the setup of the café in the Watford central library.

Hertfordshire Mencaps - partnership grant held for Hertfordshire Mencaps.

Individual Service Funds - funds restricted for the provision of individual personalised services.

Hillside – roof repairs.

Learning and leisure - funds restricted for the provision of learning and leisure activities.

Legacy - legacy to be utilised for specific projects.

Shop – Funds restricted for the direct costs involved with the Bushey charity shop

Technology - funds restricted for the delivery of a technology club for children and young people.

Transfers:

A transfer of £145,610 (2021: £619,247) has been made from general funds to the designated tangible fixed assets and £27,877 to the designated pension fund.

22. RELATED PARTY DISCLOSURES

There were no related party transactions for the year ended 31 March 2022 nor for the year ended 01 April 2021.

23. ULTIMATE CONTROLLING PARTY

In the opinion of the trustees the charity does not have an ultimate controlling party. There has been no change between the reporting date and date of approval of the financial statements.

24. EVENTS AFTER THE REPORTING PERIOD

Events after the reporting date are those events, favourable or unfavourable, that occur between the balance sheet date and the date when the financial statements are authorised. There are no adjusting events after the reporting period which will have a material effect on the financial statements of the charity.

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25. PENSIONS

The Pensions Trust - Growth Plan Scheme

Background

The charity participates in the above Scheme. The Scheme is funded and is not-contracted out of the State scheme.

Contributions paid by the charity into the Scheme up to and including September 2001 were converted to defined amounts of pension payable from the National Retirement Date. This scheme is known as Growth Plan Series 3 ("GP3"). From October 2001 contributions from the charity were invested in personal funds which are converted to a pension on retirement, either within the Scheme or by the purchase of an annuity. This scheme is known as Growth Plan Series 4 ("GP4").

GP3 closed to further contributions from 30 September 2013, and during that year the charity consulted with employees and decided to offer GP4 from 1 October 2013 rather than exit the Scheme altogether and closed GP3 to new entrants. GP4 is deemed to be a "qualifying scheme" for the purposes of Auto Enrolment, and is in use by the charity as an Auto-Enrolment vehicle since its staging date of 1 May 2014. As at the balance sheet date there were 70 (2021: 70) active members of the Scheme employed by the charity.

The Pensions Act 2011 changed the definition of Money Purchase schemes, following which GP3 was classified as a defined benefit scheme. As a result, any liabilities within this Scheme must be included in the calculation of any debt on withdrawal.

It is not possible in the normal course of events to identify on a reasonable and consistent basis the share of underlying assets and liabilities belonging to individual participating employers because the Scheme is a multi-employer scheme, where the assets are co-mingled for investment purposes, and benefits are paid out of the Scheme's total assets.

Employer's debt on withdrawal

An employer debt will arise if the Scheme is wound up; a participating employer becomes insolvent; ceases to participate in the Scheme, or ceases to exist.

A debt liability will not crystallise as long as the charity continues to employ an active member of the Scheme. Note that failure to submit the Additional Contributions (see below) may result in the Trustee terminating the employer's participation in the Scheme, resulting in a cessation event. Should the charity withdraw from the Scheme, the actual debt figure would have to be calculated by the Scheme actuary at the date of withdrawal.

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25. PENSIONS - continued

Valuation

The Scheme Trustee commissions an actuarial valuation of the Scheme every three years. The most recent valuation was at 30 September 2020 (previous valuation was at 30 September 2017). The purpose of the actuarial valuation is to determine the funding position of the Scheme by comparing the assets with past service liabilities as at the valuation date. Asset values are calculated by reference to market levels. Accrued past service liabilities are valued by discounting expected future benefit payments using a discount rate calculated by reference to the expected future investment returns.

The valuation at 30 September 2020 was performed by a professionally qualified Actuary using the Projected Unit Method. The market value of the Scheme's assets at the valuation date was £800 million (30 September 2017: £795 million) and the Scheme's Technical Provisions (i.e. past service liabilities) were £832 million (30 September 2017: £927 million). The valuation therefore revealed a shortfall of assets compared with the value of liabilities of £32 million (30 September 2017: £132 million).

Buy Out Basis of valuation

The buy out (or, solvency) basis is the statutorily prescribed basis for calculating an employer's debt on withdrawal. It is also known as a "Section 75 debt" from that part of the Pensions Act 2004.

The debt for the Scheme as a whole is calculated by comparing the liabilities for the Scheme (calculated on a buy-out basis i.e. the cost of securing benefits by purchasing annuity policies from an insurer, plus an allowance for expenses) with the assets of the scheme. If the liabilities exceed the assets there is a buy-out debt.

Insurance companies tend to price annuities based on conservative assumptions for future investment returns and build in a risk allowance or safety margin to allow for the fact that the benefits are guaranteed. An element of profit is also included in the calculation. As a result, buy-out liabilities of the Scheme are significantly higher than the ongoing liabilities.

The leaving employer's share of the buy-out debt is the proportion of the Scheme's liability attributable to employment with the leaving employer compared to the total amount of the Scheme's liabilities (relating to employment with all the currently participating employers). The leaving employer's debt therefore includes a share of any 'orphan' liabilities in respect of previously participating employers. The amount of the debt therefore depends on many factors including total Scheme liabilities, Scheme investment performance, the liabilities in respect of current and former employees of the employer, financial conditions at the time of the cessation event and the insurance buy-out market. The amounts of debt can therefore be volatile over time.

Pension deficit funding arrangement

The company participates in the scheme, a multi-employer scheme which provides benefits to some 638 non-associated participating employers. The scheme is a defined benefit scheme in the UK. It is not possible for the company to obtain sufficient information to enable it to account for the scheme as a defined benefit scheme. Therefore it accounts for the scheme as a defined contribution scheme.

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25. PENSIONS - continued

Pension deficit funding arrangement - continued

The scheme is subject to the funding legislation outlined in the Pensions Act 2004 which came into force on 30 December 2005. This, together with documents issued by the Pensions Regulator and Technical Actuarial Standards issued by the Financial Reporting Council, set out the framework for funding defined benefit occupational pension schemes in the UK.

The scheme is classified as a 'last-man standing arrangement'. Therefore the company is potentially liable for other participating employers' obligations if those employers are unable to meet their share of the scheme deficit following withdrawal from the scheme. Participating employers are legally required to meet their share of the scheme deficit on an annuity purchase basis on withdrawal from the scheme.

A full actuarial valuation for the scheme was carried out at 30 September 2020. This valuation showed assets of £800.3m, liabilities of £831.9m and a deficit of £31.6m. To eliminate this funding shortfall, the Trustee has asked the participating employers to pay additional contributions to the scheme as follows:

Deficit contributions

From 1 April 2022 to 31 January 2025:	£3,312,000 per annum (payable monthly)

Unless a concession has been agreed with the Trustee the term to 31 January 2025 applies.

Note that the scheme’s previous valuation was carried out with an effective date of 30 September 2017. This valuation showed assets of £794.9m, liabilities of £926.4m and a deficit of £131.5m. To eliminate this funding shortfall, the Trustee asked the participating employers to pay additional contributions to the scheme as follows

Deficit contributions

From 1 April 2019 to 30 September 2025:	£11,243,000 per annum (payable monthly and increasing by 3% each on 1st April)

The recovery plan contributions are allocated to each participating employer in line with their estimated share of the Series 1 and Series 2 scheme liabilities.

Where the Scheme is in deficit and where the charity has agreed to a deficit funding arrangement the charity recognises a liability for this obligation. The amount recognised is the net present value of the deficit reduction contributions payable under the agreement that relates to the deficit. The present value is calculated using the discount rate detailed in these disclosures. The unwinding of the discount rate is recognised as a finance cost.

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25. PENSIONS - continued

Assumptions

	31 March 2022	1 April 2021	31 March 2020
	% per annum	% per annum	% per annum
Rate of discount	2.35	0.66	2.53

The discount rates shown above are the equivalent single discount rates which, when used to discount the future recovery plan contributions due, would give the same results as using a full AA corporate bond yield curve to discount the same recovery plan contributions.

The following schedule details the deficit contributions agreed between the charity and the Scheme at each year end period:

Deficit contribution schedule	31 March 2022	1 April 2021	31 March 2020
	£000s	£000s	£000s
Year 1	11	29	28
Year 2	11	30	29
Year 3	9	31	30
Year 4	-	27	31
Year 5	-	-	27

It is these contributions that have been used to derive the charity's balance sheet liability of £29,966 (2021: £115,109).

26. COMPANY LIMITED BY GUARANTEE

The charitable company is limited by guarantee and has no share capital. Every member of the company undertakes to contribute to the assets of the company in the event of its being wound up, for payments of the debts and liabilities of the company, such amount as may be required, not exceeding £1.

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27. FINANCIAL INSTRUMENTS

The charity has the following financial instruments:

	Notes	**31.03.22**	01.04.21
		£	£
Financial assets measured at amortised cost			
- Cash and cash equivalents		**1,059,449**	1,592,557
- Trade debtors	15	**172,424**	61,256
		1,231,873	1,653,813
Financial liabilities measured at amortised cost			
- Trade creditors	16	**122,662**	88,962
- Other creditors	16	**45,375**	63,234
- Individual service funds	16	**136,623**	141,553
- Accruals	16	**317,947**	520,060
- Bank loans	18	**260,037**	1,040,237
		882,644	1,854,046

28. RECONCILIATION OF NET INCOME TO NET CASH FLOW FROM OPERATING ACTIVITIES

	31.03.22	01.04.21
	£	£
Net movement in funds for the reporting period (as per the statement of financial activities)	**185,201**	175,713
Adjustments for:		
Depreciation charges	**11,270**	7,366
Interest payable	**30,897**	-
Gain on disposal of fixed assets	**(352,200)**	-
Actuarial gains relating to pension scheme deficit	**(56,014)**	-
Interest received	**(6,639)**	(7,081)
Release of sleep-in payments provision	**(165,600)**	-
(Increase)/decrease in debtors	**(109,572)**	132,926
(Decrease)/increase in creditors/provisions	**(241,513)**	554,848
Net cash (used in) provided by operating activities	**(704,170)**	863,772

29. ANALYSIS OF CHANGES IN NET CASH

Current year	At 01.04.21	Cash flows	At 31.03.22
	£	£	£
Cash at bank and in hand	1,592,557	(533,108)	1,059,449
Borrowings	(1,040,237)	780,200	(260,037)
	552,320	247,092	799,412

WATFORD AND DISTRICT MENCAP SOCIETY

England & Wales - Charity number 1004431

Accounts

REGISTERED COMPANY NUMBER: 02636705 (England and Wales)

REGISTERED CHARITY NUMBER: 1004431

WATFORD AND DISTRICT MENCAP SOCIETY

(A COMPANY LIMITED BY GUARANTEE)

REPORT OF THE TRUSTEES AND

FINANCIAL STATEMENTS FOR THE YEAR ENDED 1 APRIL 2021

WATFORD AND DISTRICT MENCAP SOCIETY

CONTENTS OF THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 1 APRIL 2021

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WATFORD AND DISTRICT MENCAP SOCIETY

REFERENCE AND ADMINISTRATIVE DETAILS

FOR THE YEAR ENDED 1 APRIL 2021

COUNCIL OF MANAGEMENT	Mr R F Jones	(Chair)
	Mrs P Joy	(Acting Vice Chair, Treasurer)
	Mr M S Enoch	
	Mrs L C Green	
	Mrs P Robertson	
	Mr J R Teague	
COMPANY SECRETARY	Mrs R L Kreloff	
REGISTERED OFFICE	92a Langley Road Watford WD17 4PJ	
REGISTERED COMPANY NUMBER	02636705 (England and Wales)	
REGISTERED CHARITY NUMBER	1004431	
INDEPENDENT AUDITORS	Mercer & Hole Chartered Accountants Batchworth House Batchworth Place Church Street Rickmansworth Hertfordshire WD3 1JE	
CHIEF EXECUTIVE	Miss J Pattinson	
PRINCIPAL BANKER	NatWest 72 High Street Watford Hertfordshire WD17 2GZ	
WEBSITE	www.watfordmencap.org.uk	

The trustees (also known as the Council of Management) who are also directors of the charity for the purposes of the Companies Act 2006, present their report with the financial statements of the charity for the year ended 1 April 2021. The trustees have adopted the provisions of Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their financial statements in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2019).

OBJECTIVES AND ACTIVITIES

Objectives

The charity's objects are set out in the Articles of Association and are:

- The relief of people with a learning disability in particular by the provision of help and support for them and their families, dependants and carers and to prevent or alleviate learning disabilities for the public benefit by education, research and life-enhancing medical intervention.

- The provision or assistance in the provision of facilities for the recreation or other leisure time occupation for people who have need thereof by reason of learning disability with the object of improving their conditions of life.

"Learning disability" means any developmental disability of the mind and any associated condition howsoever caused and whether mild, moderate or severe.

The charity aims to achieve its objects by seeking to provide user-led and person-centred services which enable people with a learning disability to make the most of life. Services are constantly under review in the light of user needs, government policy, funding availability, and changing needs and practices. Watford Mencap seeks to work with other voluntary and statutory organisations to promote the welfare of people with a learning disability.

Our Values

We are INCLUSIVE People with learning disabilities are at the heart of everything that we do.

We are RESPECTFUL We work in a person-centred way, whilst listening to the views of all.

We are WELCOMING We are approachable and value all.

We are PROGRESSIVE We promote learning to support everyone to achieve their potential.

We are CHALLENGING Through our work we will push the boundaries for individuals, organisations and society.

OBJECTIVES AND ACTIVITIES

Our Mission

Enabling people with learning disabilities and their families to make the most of life.

To help make this happen we will

- Support people to enjoy choice and control over their own lives, to enable them to work towards fulfilling their life ambitions and to achieve their potential
- Provide a range of high quality, individually tailored services that focus on the individual and their family
- Support people to obtain their rights and to understand their responsibilities as members of society
- Recognise that people have skills, abilities and expertise and use these to inform our growth and progress
- Campaign to ensure the rights of people with a learning disability and their families are respected and to ensure that they have access to the services they need and to challenge the boundaries of discrimination
- Involve and include people in evaluation and decision making at all levels within Watford Mencap

Activities

All of the charity's activities focus on the objects set out in the Articles of Association noted on page 2. It is the charity's aim to be the first port of call in South West Herts for all people with a learning disability, their families and carers. Support may be given in partnership with other relevant organisations. There are no restrictions on access to services other than the charity's capacity and capability to provide the support required to live a fulfilling life.

A life-long journey supported by Watford Mencap every step of the way

People with learning disability are one of the least understood, least visible and most vulnerable sections of our society. They are also a sizeable group.

The Improving Health and Lives (IHAL) profiles produced by the North East Public Health Observatory estimates that approximately 2.5% of the total population have some form of learning disability, resulting in an estimated 1.5 million people in the United Kingdom with a learning disability. This population is predominantly (60%) male and unknown to services; of the estimated 1.2 million adults with a learning disability in England, only 189,000 (21%) are known to local authority or health services. Around 24% of the estimated population with learning disabilities are believed to be children and 76% are believed to be adults. (IHAL, 2011).

OBJECTIVES AND ACTIVITIES

The Summary Needs Assessment: Fulfilling Lives for People with Learning Disabilities estimates there may be 5,500 children with learning disabilities in Hertfordshire and Projecting Adult Needs and Service Information 2015 states there are 21,109 people over 18 with a learning disability in the county. This is 1.8% of the total adult population. As of December 2020, Hertfordshire County Council (HCC) adult social care were supporting 4,600 adults with learning disabilities. Public Health England 2016 states there were 22.4 per 1,000 children with a learning disability known to schools in Herts and that 2.5% of children in England have a learning disability.

The number of people over 18 with a learning disability is predicted to increase by 9% by 2025 and the largest projected growth area over the next 10 years is in the 75-84 and 85+ age range with projected increases of 32% and 47% respectively. It was recognised very early on in the pandemic that people with learning disabilities were extremely vulnerable to Covid19 so extra caution would be required. In seeking to serve this section of society Watford Mencap has developed a wide range of services.

The pandemic has meant that needs have changed and services have had to constantly evaluate not just what is needed but also what can be safely provided. During the height of the pandemic all services came together, enabling the organisation to mobilise staff and cover gaps. In January the organisation made this move permanent with Ruth Murray becoming Head of Operations and Beth Smith moving to the Operations Manager for services provided at home. A further operations manager will be sought for community activities at a later date. All charged services can be bought privately by self-funders and people with individual budgets and direct payments.

Services at Home

This range of services are offered in people's homes supporting them in their daily lives to gain independence and to promote choice and control

Advice and Information

Initial and ongoing contact through the Advice and Information Service is free to all and funded through fundraising, grants, and reserves if necessary. This service provides information, supports people, and facilitates their efforts to plan their lives and access services. No distinction is made between those who might wish to access services provided by the charity and those for whom another service provider or organisation might be more appropriate - the interests of the individual are paramount. The service continues to be part of the National Lottery funded Building Better Opportunities project which focuses on supporting young people into employment. The information gathered also supports Watford Mencap's campaigning work to highlight unmet needs to local authorities through the Strategic Commissioning Group. Last year the team and the service expanded, becoming the front face of the organisation offering welfare calls to the people we support as well as advice and information. The team supported 262 people with 306 queries resulting in 2,315 contacts. In addition, the team received funding from Herts Valleys CCG to work in partnership with Social Prescribing. The service is also recognised by Hertfordshire County Council as a brokerage provider.

OBJECTIVES AND ACTIVITIES

1:1 Support in your own Home

The Care and Support Agency provides individualised and person-centred support for people with learning disabilities within the local community. People can be supported with a range of everyday activities, some practical, others more focused on social skills and learning. This service also supports children as part of our Short Break offer. All work is focused on enablement and helping people to maximise their independence. Initially during the pandemic many clients declined a service but as time progressed the service increased its provision, the team provided over 6,654 hours of support to a total of 70 people with learning disabilities.

24-Hour support in your own Home

The Individual Service Fund team supports 10 people living in 4 different properties across South West Herts. Funding for individuals is from various sources including Individual Service Funds and commissioned hours from HCC's Supported Living Framework. During the year the focus was to support people to stay safe during the pandemic and to help people understand what was happening. Like the whole population people spent more time at home, meaning additional hours of support were required and overall the team provided 35,891 hours of support

24-hour support in a Registered Care Home

19 people are supported in 3 registered care homes located in Watford and Three Rivers. Many people have lived in their home for many years and receive support in all aspects of their life. Care homes were identified as posing a higher risk to individuals during the pandemic so a large amount of time was spent ensuring infection control measures were in place. On the whole the residents have higher needs so more support was required to help people understand the pandemic and to keep themselves safe. More time was spent at home resulting in additional hours being required, overall the teams provided 60,126 hours of support.

Community Activities

This range of services are offered in the community and can be commissioned or paid privately. Many charge fees that are affordable to people from their weekly income, although help with fees may be sought for those in crisis. These are funded largely by grant or fundraising income but may also be subsidised by reserves during start-up or funding gaps or when broadening access for hard-to-reach groups. The aim is to provide attractive and fun activities which promote well-being and independence. Activities are available across all age ranges and are based on feedback from people who use the services. During the pandemic these services needed to assess risk and work in conjunction with the legislation to ensure safe services were provided

OBJECTIVES AND ACTIVITIES

The following activities are offered:

Children:

The Short Break Contract from HCC continued to enable a range of leisure activities to be delivered, including weekend sessions, adventure breaks, a Lego club, 1:1 sessions and holiday activity schemes. All referrals for these services must come through the HCC Short Breaks process. Fundraising supports evening sessions as well as a group for under 5's which supports families with a stay and play session. These services closed in March as directed by the Government but managed to open in August to offer a reduced holiday scheme. Most other services restarted in September apart from Lego club and adventure breaks which remained closed. 71 children accessed these activities across the year, attending a total of 405 sessions.

Young People: -

This contract also includes young people and enabled a range of leisure activities including a weekly youth club, weekend sessions, adventure breaks, a Lego club, 1:1 sessions and holiday activity schemes for those at both school and college. Children's services must come through the HCC Short Breaks Contract process which affects our ability to offer services to some people. Those at college or accessing service outside this contract can access services through self-referral. Fundraising supports evening activities focusing on life skills such as cooking and shopping. These services also closed in March as directed by the Government. Reduced Holiday schemes started again in August with remaining service open from September apart from Lego club and adventure breaks which remain closed. 65 young people accessed these activities across the year, attending a total of 387 sessions

Adults: -

Adults Day Opportunities – regular day activities for adults which can be commissioned by local teams operated throughout the pandemic, moving online in April. 3 people accessed the services attending 310 sessions.

Profound and Multiple Learning Disability (PMLD) – regular activities for young people with PMLD which can be commissioned by local teams. Due to the vulnerability of the clients the service remained closed until August. Over the past year the team provided over 2,543 hours of support to a total of 10 people with PMLD.

Employability– The Café in the Library offers learning opportunities for people with learning disabilities to gain skills in all areas of the business including customer service, handling money and food hygiene. The Café closed in March and was not able to reopen in the year 2020 – 21.

Clients were able to access a service in the charity shop for a number of weeks with 5 people accessing this service attending 10 sessions.

The charity also provides volunteering opportunities for people with learning disabilities to gain retail, administration, and customer care skills. The eBay store, the shop and other trading initiatives provide opportunities to many volunteers, some of whom have a learning disability.

OBJECTIVES AND ACTIVITIES

Leisure and learning – All activities moved online during the pandemic with a wide range of activities including quizzes, bingo events, cooking, baking, breadmaking and exploring the planet. Sessions focused on maintaining people's skills, confidence and wellbeing to encourage them to speak up for themselves and others.

For the second half of the year a weekly dancercise session was available with a dance teacher. When the weather was better the allotment was used to offer in person activities particularly for those who found online activities difficult. All other monthly clubs ceased along with the monthly night club at Pryzm nightclub in Watford. In total 68 people accessed these activities across the year, attending a total of 303 sessions.

Having your Say – Watford Mencap continues to host the Hertfordshire county-wide network that supports people with profound and multiple learning disabilities and their carers. Any feedback received is passed on to the local authority through the relevant networks.

Watford and Three Rivers Learning Disability Local Area Forum is hosted and facilitated by the charity. The Forum focused on local and national topics linking with the local authority to raise issues.

Watford Mencap has a service user and carer base of over 1,174 people with learning disabilities and their carers for its various services. The charity aims to raise awareness of learning disability among the wider population, and of the existence of the charity and the services it provides to those with learning disabilities, their families and carers, as well as other relevant professionals. Ultimately, the charity would like to act as a central point of contact in relation to learning disability in South West Herts, providing information, contacts, advice and, where relevant and possible, services, to all who need them.

Public benefit

In planning and reviewing the above activities, the Council of Management have given careful consideration as to whether they have complied with the duty in section 17 of the Charities Act 2011 to have due regard to the public benefit guidance published by the Charity Commission.

The members, staff and volunteers of Watford Mencap strongly believe in the importance and worth of every individual in our society. The aim inherent in all of the charity's activities is to enable and facilitate the ability of people with a learning disability to make the choices that most of us take for granted. By making a contribution to this aim, the charity provides a public benefit of not only alleviating the potential distress and waste of individuals frustrated by the inability to lead a fulfilling life and the associated impact on their families and carers, but also, in some small way, to make society more tolerant, compassionate and inclusive.

OBJECTIVES AND ACTIVITIES

Staff and volunteers

Watford Mencap benefits greatly from the commitment of its 134 paid staff. It also benefits from the support of a number of volunteers in the head office, trading and fundraising activities, leisure services and in the children's centre. The contribution of the 55 regular helpers and volunteers who worked with the charity over the year is estimated to be approximately 1,172 hours (representing the equivalent of approximately 0.6 full-time staff) and their contribution is gratefully acknowledged. Throughout the pandemic we were also supported by a wide range of helpers who donated over 6 hours of daily support to deliver food, PPE and general supplies to support our projects. This was also accompanied by many kind gestures of support, from making PPE, running virtual sessions, donating fresh foods for our projects and treats to support our workforce. We estimate this additional help from our helpers and supporters to be the approximate equivalent of another 2.5 members of staff. We are truly thankful for this and would not have been able to sustain our projects without this very generous support.

Lower than market sector turnover of front-line staff and a consistent management team continue to be a significant achievement for the charity. The people and families that the charity supports acknowledge the importance of knowing and trusting the staff and volunteers. A dedicated team of casual workers work alongside contracted staff and volunteers to help the charity achieve this consistency of support.

IMPACT OF COVID19

On 17th March 2020 Watford Mencap took action to protect the people we support and our staff from Covid19. The senior management team met and continues to meet weekly in person to ensure appropriate handling of the situation. Trustees' governance meetings continued throughout online.

Services and activities

All staff who could do so commenced working from home and appropriate IT was put in place. Non-critical projects were closed in line with government guidance. Critical support continued – residential, supported living and homecare for the very vulnerable; meeting critical need being the overriding priority. Staff moved over from temporarily closed services to backfill and provide additional support to cover sickness and provide additional resources in critical projects. The Advice Service increased its hours and operated over seven days a week to meet community needs. At one point there was a 30% increase in the number of people contacting us. Many calls were made to people who felt isolated and lonely. The Old Town Hall office was manned seven days a week to deal with any situations arising.

Over the summer 2020 period, projects were made Covid19 secure and re-opened where possible e.g. the summer playschemes and the shop in September. With smaller numbers and adjusted activities and working procedures, all projects (with the exception of the café in the library), were (as of the beginning of October) open and running again. The café then opened for outdoor service in May 2021.

IMPACT OF COVID19

A Covid19 risk register is in place and is regularly updated. Our projects remained Covid free until an outbreak in January 2021.Thankfully, this was small and contained to one residential care home. It was a great relief that all staff were offered a Covid vaccination in December 2020 and March 2021 and to date 86% of staff have been vaccinated. In February 2021 people with a learning disability were also moved up to priority group 6, speeding up their opportunities for vaccination. The organisation continues to protect the people we support with robust procedures focused on regular testing, vaccination, infection control and PPE.

Clients, Staff and Volunteers

The trustees want to acknowledge the swift action taken by management by completely re-structuring the staffing structure and the working procedures to minimise the threat of infection. Enormous gratitude is also due to the members of staff who behaved in an exemplary manner, pulling together to keep services running safely. Only seven staff had to be placed on the government furlough scheme and thankfully the small numbers of staff who caught the virus have all made a good recovery. As a result, we have been able to rely on our own teams at times of maximum demand and there has been little need to use agency staff.

A team of volunteers undertook daily deliveries of food, PPE and essential supplies to each of our residential homes. Other volunteers joined our leisure and learning services to deliver online and virtual day opportunities sessions. Volunteers were inducted back into our Covid19-secure charity shop in October. Watford Mencap is extremely grateful for the ongoing support of its volunteers.

Our staff sickness levels remained relatively low until December 2021, but it was with great sadness that we heard of the loss of 2 past staff members in February 2021, as well as the sad passing of close family members of several staff.

The commitment and essential role of the social care workforce, already under pressure due to the high level of vacancies in keeping people well supported and delivering care throughout the pandemic, must be acknowledged. It is our sincere hope that future government funding will recognise this and enable providers to increase salaries to reflect it.

Financial Implications

The trustees would also like to acknowledge the swift and ongoing response of local government. In relation to HCC contracted services we have been able to claim monthly to cover the additional support costs of Covid19 and have received regular infection control funding from HCC. Other contracts were extended with additional financial security and payment terms were improved to provide for immediate transfer of funds.

IMPACT OF COVID19

Our largest community fundraisers, the 10k race and Santa Dash, were successfully moved online to become virtual races. However, other fundraising events were cancelled, and the shop was closed, although online trading continued. Additional resources were allocated to fundraising and the focus was changed to grant and trust bids to support those most in need. We had significant success with a range of projects funded, along with back-office costs and specific pieces of work around Covid19 recovery. National funders included: Children in Need, Rausing Trust, Garfield Weston and the National Lottery. Local funders include Watford Borough Council and Herts Community Foundation. We were incredibly grateful for the continued support of our corporate supporters.

Costs increased from the introduction of safe working practices, regular testing and PPE while additional sick pay made demands on our resources. However, the government support provided alongside the grant funding achieved and tight cost control enabled services to diversify and change delivery models to meet local need efficiently.

We have concerns about the longer-term effects of the pandemic on the funding of social care and the impact on local government but remain confident that our drive for efficiency and building our reserves over previous years will help us continue to provide our much-needed support.

Progress on meeting 2020/21 objectives

Our priorities changed throughout the year as the pandemic progressed and at times moved significantly away from those outlined in our 2019/20 business plan. Despite this, we gained silver accreditation for the first time in our Investors in People assessment in September and in November Herts Care Providers Association (HCPA) recognised our work through the pandemic with an outstanding achievement award at the Herts Care Awards.

Doing It Together and living our values

The pandemic prevented further Doing it Together subgroup meeting taking place. Staff interviews continued throughout the pandemic. These all incorporated an interaction with a person we support. This was a significant achievement with all new staff now receiving a values-based interview.

IMPACT OF COVID19

Valuing our people

Helen Jones, our staffing manager, led staff recruitment during Covid 19, filling many temporary and permanent roles. With concentrated effort from the new staffing team created at the start of the pandemic there was a significant reduction in Right Support vacancies. The staffing team maximised resourcing across the charity, redeploying staff where needed and managing the transfer of all staff rotas onto Teams. This enabled staff to work more easily across the charity. In the later part of the year Helen also started to look at volunteer recruitment.

The staffing team also brought together one centralised training record enabling us to see easily which workers needed to update their training during the pandemic with ilearning and who would therefore work where within the organisation. Inspire 2 leadership and management training programme was sadly not possible but will be rolled out for more experienced managers when the pandemic permits.

We supported staff through the pandemic with internal and specialist wellbeing resources, wellbeing plans are now used where appropriate in conjunction with staff member, their manager and HR. Naomi Sword our HR manager attended HCC training on managing staff wellbeing, and HCPA put in place an employee support programme at the beginning of the pandemic which any Watford Mencap staff member could use in confidence, along with our health scheme. Car park team meetings, virtual meetings plus weekly all staff and managers enewsletters all promoted wellbeing during the pandemic.

It was not possible to complete the planned salary review until June 2021, but an exceptional recognition payment was made to all staff who had not been on furlough in August 2020. Many staff were really pleased with the payment, which equated to a one off 1.83% salary uplift for support workers.

Work on recruiting new trustees was postponed until summer 2021. Trustees played an important and supportive role during the pandemic, providing support, advice and help with practical tasks. Governance meetings continued on Teams throughout the year with trustees feeding back on project involvement. It was not appropriate for project visits to take place but the Chair and CEO met weekly throughout the pandemic.

Sevi Kurtbas our Thorpedale manager is to also be congratulated for completing her level 5 leadership and management qualification with HCPA in the middle of the pandemic.

Targeting our influence

The proactive stance taken to continue to deliver services and to extend some service provision during lock down, supported by accompanying social media ensured our profile remained very positive at a time when many other local charities were forced to step back. Using examples of our continued service delivery produced many successful funding applications and helped to secure significant emergency grant funding for our services.

IMPACT OF COVID19

Evolving our services

HCC completed the adult leisure and learning Pamms review in September 2020 and the services were all rated as good. The Care Quality Commission completed emergency reviews on each project by telephone during lockdown which were all recognised as functioning well and being at low risk. HCC contracts officers visited Short Breaks Local Offer summer playschemes to thank staff for their commitment and support to families and to review service delivery.

Many services moved to virtual delivery, and we developed a games lender service for families, dropped off activity bags for children and changed service delivery models to offer telephone and online support. Face to face visits however still continued throughout the pandemic to those that needed support.

Secure funding and Maximising income

The HCC day opportunities tender and Hertfordshire Community Foundation grant funding for day opportunities were postponed due to Covid and current contracts were rolled forward with funding until October and December 2021, along with additional Covid 19 claim funding until June 2021 plus a range of infection control, workforce grant and rapid testing funds.

A place was secured on the HCC day opportunities framework in April 2021 and Hillside and Thorpedale residential care home funding reviews have been formally requested and resident reviews and assessments are awaited.

Lock down created the opportunity to renovate and remodel the Bushey shop, introducing a new pricing structure, whilst saving costs with furloughed staff and then reopening the shop in September, with a plan to maximise Gift Aid. Grants were also received from Hertsmere Council during the periods of lockdown.

Build our infrastructure

Each project looked to maximise income and reduce expenditure during the pandemic. We successfully managed to balance hours keeping posts unfilled where appropriate to reduce salary expenditure, using staff to work across the organisation and furloughing 7 staff on the government scheme in the first lock down and 2 in the second. It has been very challenging, but we have succeeded in managing expenditure tightly whilst continuing to deliver services where there is demand and where risks can be appropriately managed.

Frontier communications reviewed our phone and broadband contracts, a new mobile contract has been put into place with a new hardware fund secured for recabling and wi-fi at 92a Langley Road. Broadband contracts were also reviewed and will be accompanied by a move to a VOIP telephone system with the move of office premises.

92a Langley Road

On attempting to reopen the Lemarie Centre after lock down to restart our children's services it became apparent there had been significant deterioration in an already very dilapidated building as a result of several months of non-occupation. A significant challenge with heating and water systems meant a delay and serious consideration of relocation of services to enable playscheme and activities to start again.

Thankfully temporary resolutions were found, a tenancy at will was put in place by Watford Council, however this offered no longer term security at the Lemarie Centre, which then resulted in pressing forward with speed with our plans to relocate. With deterioration in the Lemarie Centre, it was no longer appropriate or possible to wait for the longer term and the riskier leasehold and planning dependent plan of Watford Fields to come together.

In July 2020 Watford Council introduced us to the possibility of purchasing 92a Langley Road, the old Nascot Lawn children's respite unit and in a back-to-back transaction on 1st April 2021 the building was sold from Health to Watford Council who then sold it straight onto Watford Mencap. The purchase was supported by a mortgage from Charity Bank, with Watford Mencap's reserves being used to fund the deposit. The new building will become a local hub for people with learning disabilities and their families and carers, replacing our current offices and facilities within the Lemarie Centre. It has great scope but was in a terrible condition having been empty for several years. A plan was made to purchase and to gut and totally refurbish the building to meet the wishes, hopes and dreams identified by members, staff, families and people we support at our graphic consultation events in February 2020.

Following a tender for extensive refurbishment, Borras construction were awarded lead contractor role. Thames Valley Surveying completed the specification of works and are currently managing the stage 1 refurbishment. Resources were already in place to cover stage 1 and 2 of the building works from funds built up over a number of years whilst preparing to have to move from the Lemarie Centre. Stage 3 building works will be funded by the proceeds from the sale of the Old Town Hall in August 2021 for £1,119,000.

We moved a skeleton staff team into 92a Langley Road in late August following completion of the sale of our Old Town Hall office in Rickmansworth. We hope to have the full office team in place and working in a Covid safe way by early December. Once the children's area has been approved by Ofsted, hopefully in December 2021 we shall then begin to run leisure, learning and day opportunities for children, young people and adults on the ground floor. We shall also rent out offices on the 2nd floor from January 2022 to Playskill, another local charity and our activity rooms will be available to hire out to local community groups from February 2022.

We are incredibly fortunate to have received so much professional support and guidance from our corporate supporters with this project, including Warner Brother Leavesden Studios, dn-a architects, Crown interiors, Terence O'Rourke and Veale Wasbrough Vizards along with ongoing support from Watford Council that supported us throughout the purchase and refurbishment of 92a Langley Road. It is an incredibly exciting opportunity and a superb way to celebrate Watford Mencap's 70th anniversary year during 2021.

Fundraising activities

Watford Mencap is an independent local charity that is responsible for raising all its own funding to support local people with learning disabilities. Although affiliated to the national Royal Mencap charity, it receives no funding from them. The charity has a small team that manage a portfolio of activities that generate income to fund the projects we believe are of value to our clients, but which do not attract local authority funding. By engaging in a variety of fundraising methods we believe that we are reducing our risk and ensuring we do not become over-reliant on a single source of income generation.

Our biggest fundraising source remains grants and trusts and we are grateful for the support of Children in Need, The Childwick Trust, The National Lottery Community Fund, The Julia and Hans Rausing Trust and The Garfield Weston Foundation amongst others. We received generous grants from a number of donors to enable us to respond to the Covid19 pandemic, helping us to provide resources, services and activities during a very difficult time.

Our two local challenge events, the Watford 10k and the Watford Santa Dash were delivered as virtual events this year and were well supported. This helps us to re-introduce the live events when it is appropriate, and we are grateful to Warner Brothers Studios Leavesden for their continued support for these events. In addition, we have a calendar of smaller community events such as the Rickmansworth Pancake Race, quizzes and suppers. We have continued to offer many of these virtually and introduced a Mehfil musical performance and a Murder Mystery evening, both of which were well attended.

We really treasure our strong relationship with several local businesses such as Camelot, Warner Brothers Studios Leavesden and Veale Wasbrough Vizards who provide us with financial, technical and practical support. We are also grateful to individual members of the local community that support us. Many make regular donations to us but prefer to remain anonymous. This year, several people contributed in other ways such as donating food or making face masks which were sold in a craft shop.

We continue to raise money through our charity shop in Bushey and our eBay site. These trading activities are supported by a team of amazing volunteers whose specialist help is much appreciated. In particular, volunteers helped us to re-design the shop to accommodate social distancing practices and create a covid-safe working environment. While the interruptions to the shop's trading was difficult, we have seen a rise in quality and quantity of donations which has helped us to quickly re-establish regular income.

We take great care to ensure that all our fundraising activities comply with the Fundraising Regulator's voluntary regulation scheme. The activities of our fundraising team are monitored by the fundraising manager and the chief executive. The team also works closely with supporters who wish to raise funds for the charity, providing support and guidance to ensure that events held in aid of our charity meet the requirements of the scheme. We seek to work in partnership with our supporters and to develop a long-term relationship with them. To this end, we consciously avoid exerting undue pressure on potential donors and do not participate in direct mailing or telephone solicitations. The fundraising team actively seeks feedback on its activities, both positive and negative, in order to keep improving our performance. We have a procedure to investigate any formal complaints received. This year we received no complaints about our fundraising activities.

FINANCIAL REVIEW

Financial position

The charity made an operating surplus of £175,713 in 2020/21 (5.7 % of gross income).

Further detail is provided in the notes to the financial statements and the reserves section regarding the restricted funds (funds legally restricted to specific projects); general funds (unrestricted); and designated funds (set aside by the Society for specific purposes).

Voluntary/other income covers all non-statutory sources of income, primarily fundraising, grants, legacies, donations, fees, rent, charity shop and eBay trading. These sources of income accounted for 20% (2019/20: 25%) of the charity's total income during the period.

The Individual Service Funds are received by the charity on behalf of the fund-holder and expended on services of the fund-holder's choice, be they Watford Mencap services or provided by some other organisation or individual. These funds do not impact the charity's year end results or the level of reserves.

The financial outlook remains challenging at the operating level with the need to complete our refurbishment of 92a Langley Road, along with current changes to HCC financial provider requirements, the need to make an operating surplus to bid for new HCC tenders, the impact of Covid 19 and the ongoing pressure on statutory funding sources expected to continue for several years. HCC remains the primary source of income (for both contract and grant income) in the year increasing to 80% compared to 75% in the previous year.

The charity continues to seek other sources of income, particularly through diversifying fundraising activity during the pandemic and expanding the fundraising team in September 2021 as well as continuing to develop structures and systems in order to be as cost efficient as possible. Structural management changes in January 2021 have had a positive impact on both quality and efficiency.

As noted above, the market in which the charity operates is becoming increasingly challenging. In the face of the Covid19 environment, the Society had agreed a deficit budget for 2021-22 We currently see no need to review service provision. While the financial position is satisfactory, planning for future years with ongoing pressures to statutory funding is extremely difficult.

FINANCIAL REVIEW

Investment policy and objectives

Aside from retaining a prudent amount in reserves each year, most of the charity's income is spent on the provision of services. Cash balances are held in bank current or deposit accounts or put on fixed term deposit. Investment income was £7,081 compared with £4,907 in 2019/20

The Investment Policy is for long-term reserves to be deposited or invested to grow at least in line with inflation, at low risk to capital. The remainder of reserves have an investment objective of preserving the capital value with a minimum level of risk.

Reserves policy

The Society had reserves of £2,283,063 as at 31 March 2021 of which £26,534 was restricted, £2,191,239 was designated (which includes fixed assets) and £65,290 represented the unrestricted general funds.

The charity's Council of Management consider that it should hold reserves to cover the cost of re-housing Service Users in the event that no further income is provided to Watford Mencap for the Step 3 Right Support housing services. In order to be able to realise the value of the freehold properties, it would be necessary to re-furbish and/or remodel the existing accommodation. There would be redundancy and related staff costs if the charity were to close these services, as well as exit costs relating to termination of services, property leases, dilapidations, etc.

Taken together, these costs are estimated to be equivalent to 6 months' operational expenditure.

Budgeted expenditure for 2021-22 is £2.5m and on this basis, the unrestricted reserves should therefore be £1.25m which is comfortably covered by the actual figure of £2,256,529.

Change of date

The usual reporting date of the charity is 31 March. For this set of accounts only, the Trustees have taken the decision to extend the reporting period by one day and include 1st April 2021 as the final day of the reporting period.

This decision was made in order to reflect the work involved and associated costs of the purchase of 92a Langley Road which took place on 1st April 2021. While the transaction completed in April, to reach that point the project consumed considerable resources throughout the year, significant costs were incurred and irrevocable refurbishment contracts were entered into. It therefore seemed essential to include the acquisition of the asset in the accounts for the year to reflect the substantive situation at the year end.

More information on the purchase of 92a Langley Road and its enormous benefits to the organisation in the provision of services can be found on page 13.

FUTURE PLANS

In preparing the plans for 2021/22, a number of factors were taken into account:

- The current policy and regulatory environment concerning social care and learning disability
- The demographic outlook and changing needs of the local population
- The impact of the external environment on Watford Mencap
- The need to roll forward the objectives from previous years which were not achieved but remain relevant
- The actions identified as priorities by the risk management process
- The actions required to sustain and improve individual services

Our usual trustee and senior management team strategy days took place virtually and in management meetings this year, due to Covid. We also considered a range of current stakeholder feedback, including our graphic facilitation events held in February 2020. This resulted in an update of the charity's 5-year plan and the setting of priority areas of work for the 2021-22 Business Plan.

Our vision for the next year

Doing It Together - People with learning disabilities will be at the heart of everything thing we do

- **Living our values**

  We will remain a strong and vibrant charity, living our values, involving people with learning disabilities, so we continue to provide high quality support to people with learning disabilities and their carers.

- **Serving our community**

  Our work is primarily based in Watford, Three Rivers and Hertsmere. We are open to opportunities beyond this area through new partnerships, where these are beneficial to the aims of Watford Mencap and the people we support – or there is evidenced need and available funding.

- **Being person centred**

  We offer a range of services and support options from cradle to grave with an emphasis on enhancing people's skills and ability to take personal responsibility. We want to ensure people are active, valued members of society who are supported by a range of services within their local community.

- **Targeting our influence**

  We proactively seek opportunities to develop new services, funding and new ways of influencing/ campaigning for people with learning disabilities.

FUTURE PLANS

- **Evolving our services**

  Our services will continue to evolve to enable them to meet the needs of an increasing population with more complex and higher needs.

- **Valuing our people**

  We will develop and support our skilled and committed workforce to be customer focused, flexible, proactive, and responsive to people's needs.

  Volunteers are an integral part of our workforce.

- **Building the infrastructure**

  Our developing service delivery will be supported and sustained by a responsive, flexible and resilient infrastructure.

- **Securing funding**

  Our Commissioned Services will be self-funding and open to possibilities of new opportunities. A robust and responsive fundraising and income generation strategy will generate income to support the expansion of our advice and information and learning and leisure non-commissioned services.

Practically this sits as 4 key areas of focus on our 2021/22 business plan

- Getting through Covid
- Recovery from Covid
- Valuing and supporting our people
- Creating a community hub at 92a Langley Road

STRUCTURE, GOVERNANCE AND MANAGEMENT

Governing document

Established in the 1950s, the organisation is a charitable company limited by guarantee, incorporated on 9 August 1991 and originally registered as a charity on 15 October 1991. The company was established under a Memorandum of Association, which sets out the object and powers of the charitable company and is governed under its Articles of Association. In the event of the company being wound up, members are required to contribute an amount not exceeding £1. There were 74 members as at 1 April 2021.

Recruitment and appointment of trustees (Council of Management)

The directors of the company are also charity trustees for the purposes of charity law and under the company's Articles are known as members of the Council of Management. Under the requirements of the Memorandum and Articles of Association, the members of the Council of Management are elected to serve for a period of three years, after which they must be re-elected at the next Annual General Meeting.

A full list of members of the Council of Management who served during the year and up to the date of this report is set out on page 1. Mindful of the focus of the charity's work on the needs of those with learning disabilities and their families, the Council of Management seeks to ensure that user and carer views are represented alongside wider business and organisational skills on the Council of Management.

Organisational structure

The Council of Management consists of up to 12 members who meet quarterly and are who are responsible for the strategic direction of the charity. At 1 April 2021, the Council of Management had 6 full members and 2 co-opted advisors - drawn from a variety of backgrounds relevant to the work of the charity - including family carers.

Day to day responsibility for provision of the services is delegated to the Chief Executive who leads the Senior Management Team. This team is responsible for ensuring that the charity delivers the business plan and that key performance indicators are met.

Monitoring of operational performance is undertaken by the Finance and Audit Committee as well as the Council of Management.

Induction and training of trustees (Council of Management)

A trustee induction pack and programme are in place to ensure that all new trustees and co-opted advisors are made aware of their roles and responsibilities. This includes helping them understand their role and duties; providing copies of relevant documentation such as the Memorandum and Articles of Association, Business and Operational Plans, and accounts; and visiting sites and services, including meeting all senior managers and ensuring compliance with the 2017 Code of Governance.

STRUCTURE, GOVERNANCE AND MANAGEMENT

Related parties

Royal Mencap

Watford Mencap is an independent charity, affiliated to the umbrella organisation Royal Mencap. Watford Mencap pays an annual affiliation fee for the right to use the Mencap name and must also comply with the requirements of the Royal Mencap Partnership Agreement which sets out minimum standards in terms of policies and procedures for organisations using the Mencap name.

There is no financial support from the national organisation, but it does have the power, under the Articles of Association, to dismiss trustees who bring the Mencap name into disrepute.

Risk management

The Council of Management regularly reviews the major risks to which the charity is exposed. A risk register outlines these risks, and the systems, procedures or actions to be taken in mitigation. The register is regularly updated, is reviewed quarterly by the Finance and Audit Committee and Council of Management and is included in the annual Business Plan.

External risks to funding are constantly monitored and alternative income sources sought. Regulatory and legal requirements are implemented and monitored to ensure the delivery of consistently high-quality services. Internal control risks are minimised by strict authorisation and monitoring procedures.

STATEMENT OF TRUSTEES RESPONSIBILITIES

The trustees (who are also the directors of Watford and District Mencap Society for the purposes of company law) are responsible for preparing the Report of the Trustees 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. Under company law the trustees must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the charitable company and of the incoming resources and application of resources, including the income and expenditure, of the charitable company 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 Charity SORP 2019 (FRS 102);
- make judgements 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 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 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 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 auditors are unaware; and
- The trustees have taken all the steps that they ought to have taken in order to make themselves aware of any relevant audit information and to establish that the auditor is aware of that information.

AUDITORS

The auditors, Mercer & Hole, will be proposed for re-appointment at the forthcoming Annual General Meeting.

This report has been prepared in accordance with the special provisions of Part 15 of the Companies Act 2006 relating to small companies.

Approved by order of the board of trustees on 1 December 2021 and signed on its behalf by:

Mr R F Jones - Chair

Opinion

We have audited the financial statements of Watford and District Mencap Society for the year ended 1 April 2021 which comprise the statement of financial activities, the balance sheet, the statement of cash flows and the notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the charitable company's affairs as at 1 April 2021 and of its incoming resources and application of resources, including its income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

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

Conclusions relating to going concern

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

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

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

Other information

The other information comprises the information included in the trustees annual report, other than the financial statements and our auditor's report thereon. The trustees are responsible for the other information contained within the annual report. 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. 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 course of 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 this gives rise to a material misstatement in the financial statements themselves. 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.

Opinion 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 directors' report) for the financial year for which the financial statements are prepared is consistent with the financial statements; 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 charitable company and its environment obtained in the course of the audit, we have not identified material misstatements in the report of the trustees.

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:

- adequate accounting records have not been kept by the charitable company, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of trustees' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit; or
- the trustees were not entitled to prepare the financial statements in accordance with the small companies' regime and take advantage of the small companies' exemptions in preparing the directors' report and from the requirement to prepare a strategic report.

Responsibilities of trustees

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

In preparing the financial statements, the trustees are responsible for assessing the 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 charitable company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in 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 specific procedures for this engagement and the extent to which these are capable of detecting irregularities, including fraud is detailed below.

Explanation as to what extent the audit was considered capable of detecting irregularities including fraud

We gained an understanding of the legal and regulatory framework applicable to the company and the industry in which it operates and considered the risk of acts by the company that were contrary to applicable laws and regulations, including fraud. These included, but were not limited to, the Companies Act 2006 and tax legislation.

We evaluated management's incentives and opportunities for fraudulent manipulation of the financial statements and the financial report (including the risk of override of controls), and determined that the principal risks were related to posting inappropriate entries including journals to overstate revenue or understate expenditure and management bias in accounting estimates.

Audit procedures performed by the engagement team included:

- discussions with management, including considerations of known or suspected instances of non-compliance with laws and regulations and fraud;
- gaining an understanding of management's controls designed to prevent and detect irregularities; and
- identifying and testing journal entries.

Owing to the inherent limitations of an audit, there is an unavoidable risk that we may not have detected some material misstatements in the financial statements, even though we have properly planned and performed our audit in accordance with auditing standards. For example, the further removed non-compliance with laws and regulations (irregularities) is from the events and transactions reflected in the financial statements, the less likely the inherently limited procedures required by auditing standards would identify it. In addition, as with any audit, there remained a higher risk of non-detection of irregularities, as these may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal controls. We are not responsible for preventing non- compliance and cannot be expected to detect non-compliance with all laws and regulations.

A further description of our responsibilities is available on the Financial Reporting Council's website at: https:// www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditor's report.

Use of our report

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

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Jolene Upshall FCA
for and on behalf of Mercer & Hole
Chartered Accountants
Batchworth House
Batchworth Place
Church Street
Rickmansworth
Hertfordshire
WD3 1JE

Date: 8 December 2021

The maintenance and integrity of the Watford and District Mencap Society website is the responsibility of the trustees; the work carried out by the auditors does not involve consideration of these matters and, accordingly, the auditors accept no responsibility for any changes that may have occurred to the financial statements since they were initially presented on the website.

WATFORD AND DISTRICT MENCAP SOCIETY

STATEMENT OF FINANCIAL ACTIVITIES (INCLUDING INCOME AND EXPENDITURE ACCOUNT)

FOR THE YEAR ENDED 1 APRIL 2021

	Notes	General funds £	Designated funds £	Restricted funds £	Total funds 01.4.21 £	Total funds 31.3.20 £
INCOME						
Donations and legacies	3	**47,866**	**-**	**-**	**47,866**	33,782
Charitable activities	6					
From public authorities		**1,915,151**	**-**	**551,933**	**2,467,084**	1,929,913
Grants		**208,382**	**-**	**79,849**	**288,231**	59,109
Rental income		**141,811**	**-**	**-**	**141,811**	143,509
Fees for using facilities and services		**85,543**	**-**	**-**	**85,543**	215,991
Other trading activities	4	**47,742**	**-**	**-**	**47,742**	199,973
Investment income	5	**7,081**	**-**	**-**	**7,081**	4,907
Other income		**1,658**	**-**	**-**	**1,658**	2,727
Total		**2,455,234**	**-**	**631,782**	**3,087,016**	2,589,911
EXPENDITURE						
Raising funds	7					
Fundraising activities		**65,271**	**-**	**-**	**65,271**	99,061
Other trading activities		**20,958**	**-**	**18,698**	**39,656**	159,336
Charitable activities	8					
Advice and information		**87,295**	**-**	**11,500**	**98,795**	76,105
Learning and leisure		**469,093**	**-**	**46,691**	**515,784**	654,369
Right support		**1,636,904**	**-**	**554,893**	**2,191,797**	1,590,490
Total		**2,279,521**	**-**	**631,782**	**2,911,303**	2,579,361
NET INCOME	9	**175,713**	**-**	**-**	**175,713**	10,550
Transfers between funds	20	**(619,247)**	**619,247**	**-**	**-**	-
OTHER RECOGNISED GAINS						
Sleep-in payments provision	18	**-**	**-**	**-**	**-**	41,400
Net movement in funds		**(443,534)**	**619,247**	**-**	**175,713**	51,950

RECONCILIATION OF FUNDS

Total funds brought forward	12	**508,824**	**1,571,992**	**26,534**	**2,107,350**	2,055,400
TOTAL FUNDS CARRIED FORWARD	19	**65,290**	**2,191,239**	**26,534**	**2,283,063**	2,107,350

All income and expenditure has arisen from continuing activities.

WATFORD AND DISTRICT MENCAP SOCIETY

BALANCE SHEET

AT 1 APRIL 2021

	Notes	01.4.21 £	31.3.20 £
FIXED ASSETS			
Tangible assets	13	**2,831,114**	1,171,630
CURRENT ASSETS			
Debtors	14	**65,852**	198,778
Cash at bank		**1,592,557**	1,348,317
		1,658,409	1,547,095
CREDITORS			
Amounts falling due within one year	15	**(885,514)**	(309,387)
NET CURRENT ASSETS		**772,895**	1,237,708
TOTAL ASSETS LESS CURRENT LIABILITIES		**3,604,009**	2,409,338
CREDITORS			
Amounts falling due after more than one year	16	**(1,040,237)**	-
PROVISIONS	18	**(280,709)**	(301,988)
NET ASSETS		**2,283,063**	2,107,350
FUNDS	20		
Unrestricted funds		**2,256,529**	2,080,816
Restricted funds		**26,534**	26,534
TOTAL FUNDS		**2,283,063**	2,107,350

These financial statements have been prepared in accordance with the special provisions of Part 15 of the Companies Act 2006 relating to small charitable companies.

The financial statements were approved by the Board of Trustees on 1 December 2021 and were signed on its behalf by:

Mr R F Jones –Trustee (Chair)

Mrs P Joy –Trustee (acting Vice Chair, Treasurer)

REGISTERED COMPANY NUMBER: 02636705 (England and Wales)
REGISTERED CHARITY NUMBER: 1004431

The notes form part of these financial statements

WATFORD AND DISTRICT MENCAP SOCIETY

CASH FLOW STATEMENT

FOR THE YEAR ENDED 1 APRIL 2021

	Notes	01.4.21 £	31.3.20 £
Cash flows from operating activities:			
Net cash provided by (used in) operating activities	27	**863,772**	(106,713)
Cash flows from investing activities:			
Interest received		**7,081**	4,907
Acquisition of property	13	**(1,666,850)**	-
Net cash (used in) provided by investing activities		**(1,659,769)**	4,907
Cash flows from financing activities:			
Proceeds from new bank loans	16	**1,040,237**	-
Net cash provided by financing activities:		**1,040,237**	
Change in cash and cash equivalents in the reporting period		**244,240**	(101,806)
Cash and cash equivalents at the beginning of the reporting period		**1,348,317**	1,450,123
Cash and cash equivalents at the end of the reporting period		**1,592,557**	1,348,317

The notes form part of these financial statements

1. COMPANY INFORMATION

Watford and District Mencap Society is a public benefit entity registered as a charity in England and Wales and a company limited by guarantee. It was incorporated on 9 August 1991 (company number: 02636705) and registered as a charity on 15 October 1991 (charity number: 1004431).

The company was established under a Memorandum of Association which established the objects and powers of the charitable company and is governed under its Articles of Association.

In the event of the charitable company being wound up, members are required to contribute an amount not exceeding £1 each.

The registered office of the charity is: 92a Langley Road, Watford, Hertfordshire, England, WD17 4PJ.

2. ACCOUNTING POLICIES

Basis of preparing the financial statements

The financial statements of the charitable company, which is a public benefit entity under FRS 102, have been prepared in accordance with the Charities SORP (FRS 102) 'Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their financial statements in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2019)', Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' and the Companies Act 2006. The financial statements have been prepared under the historical cost convention. Assets and liabilities are initially recognised at historical cost or transaction value unless otherwise stated in the relevant accounting policy note(s).

The accounting period covers from 1 April 2020 to 1 April 2021 which is considered a year for purposes for these financial statements. As permitted by the Charities Act 2011 and Companies Act 2006, the year end per the financial statements is within seven days of the Accounting Reference Date of 31 March 2021.

Preparation of the financial statements on a going concern basis

The financial statements are drawn up on the going concern basis which assumes Watford and District Mencap Society will continue in operational existence for the foreseeable future. The Council of Management have given due consideration to the working capital and cash flow requirements of Watford and District Mencap Society. The Council of Management consider Watford and District Mencap Society's current and forecast cash resources to be sufficient to cover the working capital requirements of the charity for at least 12 months from the date of signing the financial statements.

2. ACCOUNTING POLICIES - continued

The Council of Management have separately considered the uncertainty as to the future impact of COVID-19 on the going concern assessment. To date, there has been no significant adverse overall impact on Watford and District Mencap Society's income and expenditure, however the Council of Management cannot predict the longer term impact of the crisis. The Council of Management do not consider there to be a material uncertainty arising from the specific downside scenario impact of the crisis on Watford and District Mencap Society's income and expenditure and cashflows.

Critical accounting judgements and key sources of estimation uncertainty

The preparation of the financial statements requires the Council of Management to make judgements, estimates and assumptions that affect the amounts reported for assets and liabilities as at the balance sheet date and the amounts reported for income and expenditure during the period. However, the nature of estimation means that actual outcomes could differ from those estimates.

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

Income

Income is recognised when the charity has entitlement to the funds, any performance conditions attached to the item(s) of income have been met, it is probable that the income will be received and the amount can be measured reliably. Income received in advance of a service is deferred until the criteria for income recognition are met. Income arises in the United Kingdom.

Income from government and other grants, whether 'capital' grants or 'revenue' grants, is recognised when the charity has entitlement to the funds, any performance conditions attached to the grants have been met, it is probable that the income will be received and the amount can be measured reliably and is not deferred.

For legacies, entitlement is taken as the earlier of the date on which either: 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 Trust 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. 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 a treated as a contingent asset and disclosed if material.

Gifts in kind are valued at estimated value to the charity. They are included in the charity's financial statements if the estimated value is in excess of £500.

Interest receivable on funds held on deposit is included when receivable and the amount can be measured reliably by the charity; this is normally upon notification of the interest paid or payable by the bank.

2. ACCOUNTING POLICIES - continued

Unrestricted charitable donations are recognised in the financial statements when the charitable donation has been received or if before receipt, there is sufficient evidence to provide the necessary certainty that the donation will be received and the value of the incoming resources can be measured with sufficient reliability.

Donated professional services and facilities are recognised as income when the charity has control over the item, any conditions associated with the donated item have been met, the receipt of economic benefit from the use by the charity of the item is probable and that economic benefit can be measured reliably. In accordance with the Charities SORP (FRS 102), the general volunteer time is not recognised. On receipt, donated professional services and facilities are recognised on the basis of the value of the gift to the charity which is the amount the charity would have been willing to pay to obtain services or facilities of equivalent economic benefit on the open market; a corresponding amount is then recognised in expenditure in the period of receipt.

Expenditure

Liabilities are recognised as expenditure as soon as there is a legal or constructive obligation committing the charity to that expenditure, it is probable that a transfer of economic benefits will be required in settlement and the amount of the obligation can be measured reliably. Expenditure is accounted for on an accruals basis and has been classified under headings that aggregate all costs related to the category. Where costs cannot be directly attributed to particular headings they have been allocated to activities on a basis consistent with the use of resources. A further analysis of this expenditure is given in the notes to the financial statements.

- Cost of raising funds comprises fundraising activities and commercial trading, including their associated support costs.
- Expenditure on charitable activities includes the costs of the charity's services undertaken to further the purpose of the charity and their associated support costs.
- Other expenditure represents those items not falling into any other heading.

Tangible fixed assets

Tangible fixed assets, are initially measured at historic cost and subsequently carried at cost less accumulated depreciation and any accumulated impairment losses. All costs incurred to bring an asset into its intended working condition are included in the measurement of cost. Assets are capitalised where the purchase price exceeds £500. The cost of properties is their purchase price together with the cost of improvement works.

At the reporting date, the Council of Management assess, without actually revaluing those assets, whether there is any indication that an asset may be impaired. An impairment loss is recognised if the recoverable amount of an asset is less than its carrying amount.

2. ACCOUNTING POLICIES - continued

Depreciation is provided at rates calculated to write down the cost of each asset to its residual value (its scrap or realistic value at the end of its economic life) on a systematic basis over its useful economic life. The assets' residual values and useful lives are reviewed, and adjusted, if appropriate, at the end of each reporting period. The effect of any change is accounted for prospectively.

The main depreciation rates in use are as follows:

- Land - 0% assumed to have an unlimited useful life
- Freehold property - 2% on cost
- Fixtures and fittings - 25% reducing balance
- Motor vehicles - 33% reducing balance

Freehold properties acquired prior to 1 April 1996 are not depreciated as the historical cost between land and buildings cannot be reliably segregated. The Council of Management are satisfied, as the freehold properties are maintained to a good standard, that the aggregate value of the freehold properties at the reporting date is not less than the aggregate amount at which they are stated in the charity's financial statements. The freehold properties are accordingly stated in the financial statements on the basis that the residual value is greater than the asset's carrying amount and the depreciation charge is zero until its residual value subsequently decreases to an amount below the carrying amount.

Cash and cash equivalents

Cash and cash equivalents include cash in hand, deposits held at call with banks, other short-term liquid investments with original maturities of three months or less, and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities.

Taxation

The charity is an institution which is established for charitable purposes within the meaning of the Charities Act 2011 and as such is a charity within the meaning of Para 1 of Schedule 6 to the Finance Act 2010. Accordingly, the charity is potentially exempt from taxation in respect of income or capital gains received within categories covered by Sections 478-488 of the Corporation Tax Act 2010 (formerly enacted in Section 505 of the Income and Corporation Taxes Act 1988) or Section 256 of the Taxation of Chargeable Gains Act 1992 to the extent that such income or gains are applied to exclusively charitable purposes. The charity receives no similar exemption in respect of Value Added Tax.

The charity is exempt from corporation tax on its charitable activities.

The charity is not registered for VAT, as the Council of Management consider the charity's incoming resources are exempt from VAT. VAT is included within the attributable cost under resources expended.

2. ACCOUNTING POLICIES - continued

Pension costs and other post-retirement benefits

The charity made contributions to a defined benefit pension scheme on behalf of its employees up to September 2001. See note 24 for further information regarding this scheme.

The charity operates a defined contribution pension scheme. The assets of the scheme are held separately from those of the charity in an independently administered fund. The pension costs represent contributions payable under the scheme by the charity to the fund. The charity has no liability under the scheme other than for the payment of those contributions.

Contributions outstanding at the balance sheet date amounted to £nil (2020: £nil).

Operating leases

Rentals under operating leases are charged on a straight-line basis over the lease term, even if the payments are not made on such a basis. Benefits received and receivable as an incentive to sign an operating lease are similarly spread on a straight-line basis over the lease term which runs to the date of the first relevant break clause.

Provision

Provision is made for present obligations where it is probable settlement will be required in the future and the amount can be estimated reliably, but the amount or timing is not certain.

The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the reporting end date, taking into account the risks and uncertainties surrounding the obligation. Where the effect of the time value of money is material, the amount expected to be required to settle the obligation is recognised at present value. When a provision is measured at present value, the unwinding of the discount is recognised as a finance cost in net income/(expenditure) in the period in which it arises.

Basic financial instruments

Financial assets (including cash and debtors) and financial liabilities are recognised when the charity becomes a party to the contractual provisions of the instrument. Additionally, all financial assets and liabilities are classified according to the substance of the contractual arrangements entered into.

Financial assets and liabilities are initially measured at transaction price (including transaction costs) and are subsequently remeasured where applicable at amortised cost.

Financial assets include cash, trade debtors and other debtors.

Financial liabilities include trade creditors, other creditors and accruals.

2. ACCOUNTING POLICIES - continued

Fund accounting

General funds are available to spend on activities that further any of the purposes of the charity.

Designated funds are unrestricted funds of the charity which the Council of Management have decided at their discretion to set aside to use for a specific purpose.

Restricted funds are donations which the donor has specified are to be solely used for particular areas of the charity's work or for specific projects being undertaken by the charity.

Further explanation of the nature and purpose of each fund is included in note 20.

Funds are reviewed annually by the Council of Management and transfers are made between funds in order to meet the strategic objectives of the charity's business plan.

3. DONATIONS AND LEGACIES

	01.4.21	31.3.20
	£	£
Donations	**46,894**	31,832
Legacies	**972**	1,950
	47,866	33,782

4. OTHER TRADING ACTIVITIES

	01.4.21	31.3.20
	£	£
Shop income	**19,841**	78,328
Café income	**-**	59,645
Other fundraising activities	**27,901**	62,000
	47,742	199,973

5. INVESTMENT INCOME

	01.4.21	31.3.20
	£	£
Bank and Building Society interest	**7,081**	4,907

6. INCOME FROM CHARITABLE ACTIVITIES

	01.4.21	31.3.20
	£	£
From public authorities *	**2,467,084**	1,929,913
Grants	**288,231**	59,109
Rental income	**141,811**	143,509
Fees for using facilities and services	**85,543**	215,991
	2,982,669	2,348,522

* Includes income generated by the Fundraising team participating in Hertfordshire County Council tenders.

7. RAISING FUNDS

Fundraising activities

	01.4.21	31.3.20
	£	£
Raising income	**65,271**	99,061

Other trading activities

	01.4.21	31.3.20
	£	£
Fundraising trading: cost of goods sold and other costs		
Shop expenditure	**39,656**	56,968
Café expenditure	**-**	102,368
	39,656	159,336
Aggregate fund raising expenditure	**104,927**	258,397

8. CHARITABLE ACTIVITIES COSTS

	Direct costs	Support costs	Total 01.4.21	Total 31.3.20
	£	£	£	£
Advice and information	**79,533**	**19,262**	**98,795**	76,105
Learning and leisure	**421,101**	**94,683**	**515,784**	654,369
Right support	**1,451,041**	**740,756**	**2,191,797**	1,590,490
	1,951,675	**854,701**	**2,806,376**	2,320,964

9. NET INCOME

Net income is stated after crediting/(charging):

	01.4.21	31.3.20
	£	£
Occupancy lease income	**141,811**	143,509
Depreciation - owned assets (note 13)	**(7,366)**	(7,544)
Auditors remuneration – audit	**(7,100)**	(7,100)
Auditors remuneration – non-audit	**(1,200)**	(1,200)
Occupancy licence/lease costs	**(95,423)**	(98.897)

10. TRUSTEES' REMUNERATION AND BENEFITS

No trustees' remuneration or other benefits were paid either for the year ended 1 April 2021 or the previous year.

No trustee received payment for professional or other services supplied to the charity. Unrestricted donations totalling £45 were received from trustees in the year.

The trustees were able to use services used generally by beneficiaries and members of the charity.

Trustees' expenses

No trustees' expenses were paid, either for the year ended 1 April 2021 or the previous year.

11. STAFF COSTS

Total staff costs were as follows:

	01.4.21	31.3.20
	£	£
Wages and salaries	**1,820,300**	1,828,945
Social security costs	**131,586**	130,960
Pension costs (note 18)	**46,009**	35,431
	1,997,895	1,995,336

The average number of employees during the year was as follows:

	01.4.21	31.3.20
Office management	**21**	23
Support workers	**113**	155
	134	178

No employees received emoluments in excess of £60,000.

The charity pays contributions into a group scheme with the Pensions Trust. The pension cost for the year was £46,009 (2020: £35,431).

The key management personnel of the charity comprise the Council of Management, the Chief Executive, the Finance Manager, the HR Manager, the Right Support Manager and the Leisure and Learning Manager. The total employee benefits, excluding pension contributions, of the key management personnel of the charity were £236,801 (2020: £184,073).

12. COMPARATIVES FOR THE STATEMENT OF FINANCIAL ACTIVITIES

FOR THE YEAR ENDED 31 MARCH 2020

	General funds £	Designated funds £	Restricted funds £	Total funds £
INCOME				
Donations and legacies	33,782	-	-	33,782
Charitable activities				
From public authorities	1,401,118	-	528,795	1,929,913
Grants	5,508	-	53,601	59,109
Rental income	143,509	-	-	143,509
Fees for using facilities and services	215,991	-	-	215,991
Other trading activities	199,973	-	-	199,973
Investment income	4,907	-	-	4,907
Other income	2,727	-	-	2,727
Total	2,007,515	-	582,396	2,589,911
EXPENDITURE				
Raising funds				
Fundraising activities	99,061	-	-	99,061
Other trading activities	159,336	-	-	159,336
Charitable activities				
Advice and information	76,105	-	-	76,105
Learning and leisure	608,852	-	45,517	654,369
Right support	1,048,102	-	542,388	1,590,490
Total	1,991,456	-	587,905	2,579,361
NET INCOME/(EXPENDITURE)	16,059	-	(5,509)	10,550
Transfers between funds	7,544	(7,544)	-	-
OTHER RECOGNISED GAINS				
Sleep-in payments provision	41,400	-	-	41,400
Net movement in funds	65,003	(7,544)	(5,509)	51,950
RECONCILIATION OF FUNDS				
Total funds brought forward	443,821	1,579,536	32,043	2,055,400
TOTAL FUNDS CARRIED FORWARD	508,824	1,571,992	26,534	2,107,350

13. TANGIBLE FIXED ASSETS

	Land and buildings £	Fixtures and fittings £	Motor vehicles £	Totals £
COST				
At 1 April 2020	**1,194,789**	**97,870**	**29,850**	**1,322,509**
Addition	**1,666,850**	**-**	**-**	**1,666,850**
Disposal	**-**	**-**	**-**	**-**
At 1 April 2021	**2,861,639**	**97,870**	**29,850**	**2,989,359**
DEPRECIATION				
At 1 April 2020	**24,815**	**97,870**	**28,194**	**150,879**
Charge for year	**5,710**	**-**	**1,656**	**7,366**
At 1 April 2021	**30,525**	**97,870**	**29,850**	**158,245**
NET BOOK VALUE				
At 1 April 2021	**2,831,114**	**-**	**-**	**2,831,114**
At 31 March 2020	1,169,974	-	1,656	1,171,630

Included in cost of land and buildings is freehold property of £730,385 (2020: £263,535).

Since the year end, a property held at net book value of £765,869 has been sold.

Additions for the year include the purchase of a new freehold land and building with costs totalling £1,666,850.

14. DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	01.4.21 £	31.3.20 £
Trade debtors	**61,256**	179,085
Other debtors	**-**	395
Prepayments and accrued income	**4,596**	19,298
	65,852	198,778

15. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	01.4.21 £	31.3.20 £
Trade creditors	**88,962**	58,445
Other creditors	**63,234**	35,357
Individual service funds	**141,553**	102,613
Accruals	**520,060**	85,946
Deferred income	**71,705**	27,026
	885,514	309,387

Deferred income relates to amounts deferred on grants where the grant conditions were not met at the year-end.

16. CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR

	01.4.21 £	31.3.20 £
Loans	1,040,237	-
	1,040,237	-

17. BORROWINGS

	01.4.21 £	31.3.20 £
Loans	1,040,237	-
Payable within one year	-	-
Payable after one year	1,040,237	-

Amounts included above which fall due after five years:

Payable by instalments	914,783	-

The loan is secured over the assets and undertakings of the charity by way of fixed and floating charges.

18. PROVISIONS

	01.4.21	31.3.20
	£	£
Sleep-in payments	**165,600**	165,600
Pension deficit funding arrangement	**115,109**	136,388
	280,709	301,988

Sleep in provision – The provision has resulted due to the Unison Supreme Court Appeal on sleep in payments. This will confirm if historical back pay at National Living Wage rates would need to be paid to our support workers and personal assistants, who have slept in overnight in our residential and supported living projects. Discussion is ongoing hence the provision has been carried forward another year.

Pension deficit funding arrangement
Reconciliation of opening and closing provision

	01.4.21	31.3.20
	£	£
Provision at start of period	**136,388**	165,000
Unwinding of the discount factor (interest expense)	**3,066**	2,544
Deficit reduction payment	**(28,281)**	(27,457)
Remeasurements - impact of changes in assumptions	**3,936**	(3,699)
Remeasurements - amendments to the contribution schedule	**-**	-
Provision at end of period	**115,109**	136,388

Income and expenditure impact

	01.4.21	31.3.20
	£	£
Unwinding of the discount factor (interest expense)	**3,066**	2,544
Remeasurements - impact of changes in assumptions	**3,936**	(3,699)
Remeasurements - amendments to the contribution schedule	**-**	-
Contributions paid (see note below)	**39,007**	36,586
Costs recognised in statement of financial activities	**46,009**	35,431

Note
Includes payments in respect of a defined contribution scheme and service contributions (i.e. excluding deficit reduction payments) in respect of a defined benefit scheme which is now treated as a defined contribution scheme.

More details are disclosed in the pensions note 24.

19. ANALYSIS OF NET ASSETS BETWEEN FUNDS

Current year	General funds	Designated funds	Restricted funds	Total funds 01.4.21
	£	£	£	£
Fixed assets	**-**	**2,831,114**	**-**	**2,831,114**
Current assets	**1,231,513**	**400,362**	**26,534**	**1,658,409**
Current liabilities	**(885,514)**	**-**	**-**	**(885,514)**
Non-current liabilities	-	**(1,040,237)**	**-**	**(1,040,237)**
Provision	**(280,709)**	**-**	**-**	**(280,709)**
	65,290	**2,191,239**	**26,534**	**2,283,063**

Comparative year	General funds	Designated funds	Restricted funds	Total funds 31.3.20
	£	£	£	£
Fixed assets	-	1,171,630	-	1,171,630
Current assets	1,120,199	400,362	26,534	1,547,095
Current liabilities	(309,387)	-	-	(309,387)
Provision	(301,988)	-	-	(301,988)
	508,824	1,571,992	26,534	2,107,350

20. MOVEMENT IN FUNDS

Current year	At 1.4.20	Income	Expenditure	Transfers between funds	At 01.4.21
	£	£	£	£	£
Unrestricted funds					
General funds	508,824	**2,455,234**	**(2,279,521)**	**(619,247)**	**65,290**
Designated - Repairs and building	75,653	**-**		**-**	**75,653**
Designated - Charles Hatch Bequest	25,122	**-**		**-**	**25,122**
Designated - Transport	34,372	**-**		**-**	**34,372**
Designated - Tangible fixed assets	1,171,630	**-**		**619,247**	**1,790,877**
Designated - Pension	265,215	**-**		**-**	**265,215**
	2,080,816	**2,455,234**	**(2,279,521)**	**-**	**2,256,529**
Restricted funds					
Advice	-	**11,500**	**(11,500)**	**-**	**-**
Afterschool Club	-	**36,287**	**(36,287)**	**-**	**-**
Berrywood	-	**987**	**(987)**	**-**	**-**
Hertfordshire Mencaps	1,284	**-**	**-**	**-**	**1,284**
Individual Service Funds	-	**551,933**	**(551,933)**	**-**	**-**
Hillside	-	**1,973**	**(1,973)**	**-**	**-**
Learning and leisure	-	**6,250**	**(6,250)**	**-**	-
Legacy	25,250	**-**	**-**	**-**	**25,250**
Shop		**18,698**	**(18,698)**	**-**	**-**
Technology	-	**4,154**	**(4,154)**	**-**	**-**
	26,534	**631,782**	**(631,782)**	**-**	**26,534**
TOTAL FUNDS	2,107,350	**3,087,016**	**(2,911,303)**	**-**	**2,283,063**

20. MOVEMENT IN FUNDS - continued

Comparative year	At 1.4.19 £	Income & gains £	Expenditure £	Transfers between funds £	At 31.3.20 £
Unrestricted funds					
General funds	443,821	2,048,915	(1,991,456)	7,544	508,824
Designated - Repairs and building	75,653	-		-	75,653
Designated - Charles Hatch Bequest	25,122	-		-	25,122
Designated - Transport	34,372	-		-	34,372
Designated - Tangible fixed assets	1,179,174	-		(7,544)	1,171,630
Designated - Pension	265,215	-		-	265,215
	2,023,357	2,048,915	(1,991,456)	-	2,080,816
Restricted funds					
Afterschool Club	-	23,368	(23,368)	-	-
Bumble club	-	3,509	(3,509)	-	-
Café	2,752	-	(2,752)	-	-
General	-	1,731	(1,731)	-	-
Hertfordshire Mencaps	1,284	-	-	-	1,284
Individual Service Funds	-	528,795	(528,795)	-	-
Hillside	-	13,500	(13,500)	-	-
Learning and leisure	598	3,198	(3,796)	-	-
Legacy	25,250	-	-	-	25,250
Operational Management	-	93	(93)	-	-
Technology	2,159	8,202	(10,361)	-	-
	32,043	582,396	(587,905)	-	26,534
TOTAL FUNDS	2,055,400	2,631,311	(2,579,361)	-	2,107,350

Unrestricted funds:

General funds are the "free" reserves after allowing for all designated funds.

Designated funds are amounts that have been put aside at the discretion of the Council of Management for specific purposes, as follows:

Repairs and building - funds set aside for the maintenance of and future liabilities arising from the properties owned and managed by the charity.

Charles Hatch Bequest - funds from which, at the discretion of the Council of Management, small grants may be made to people with disabilities who are in urgent need.

Transport - funds set aside to replace the charity's vehicles at the end of their useful lives.

Tangible fixed assets - funds set aside to replace the charity's assets at the end of their useful lives.

Pension - funds set aside to cover potential employer debt on withdrawal from pension scheme.

20. MOVEMENT IN FUNDS - continued

Restricted funds:

The restricted funds of the charity are all income funds. The funds are subject to conditions imposed by the donors and are for the following reasons:

Advice – Funds restricted for direct costs of providing advice and information service

Afterschool club – funds restricted for the direct costs involved with providing after school activities for children and young people.

Berrywood – Funds restricted for the direct costs involved in the residential care home

Bumble club – Funds restricted for the direct costs involved with providing weekly activities for young children in the LeMarie Centre

Café – Funds restricted for the setup of the café in the Watford central library.

Hertfordshire Mencaps - partnership grant held for Hertfordshire Mencaps.

Individual Service Funds - funds restricted for the provision of individual personalised services.

Hillside – roof repairs.

Learning and leisure - funds restricted for the provision of learning and leisure activities.

Legacy - legacy to be utilised for specific projects.

Shop – Funds restricted for the direct costs involved with the Bushey charity shop

Technology - funds restricted for the delivery of a technology club for children and young people.

Transfers:

A transfer of £619,247 (2020: £7,544) has been made from unrestricted funds to the designated tangible fixed assets (2019: from designated tangible fixed assets to unrestricted funds) to cover the cost of replacing the charity's assets at the end of their useful lives.

21. RELATED PARTY DISCLOSURES

There were no related party transactions for the year ended 1 April 2021 nor for the year ended 31 March 2020.

22. ULTIMATE CONTROLLING PARTY

In the opinion of the trustees the charity does not have an ultimate controlling party. There has been no change between the reporting date and date of approval of the financial statements.

23. EVENTS AFTER THE REPORTING PERIOD

Events after the reporting date are those events, favourable or unfavourable, that occur between the balance sheet date and the date when the financial statements are authorised. There are no adjusting events after the reporting period which will have a material effect on the financial statements of the charity.

24. PENSIONS

The Pensions Trust - Growth Plan Scheme

Background

The charity participates in the above Scheme. The Scheme is funded and is not-contracted out of the State scheme.

Contributions paid by the charity into the Scheme up to and including September 2001 were converted to defined amounts of pension payable from the National Retirement Date. This scheme is known as Growth Plan Series 3 ("GP3"). From October 2001 contributions from the charity were invested in personal funds which are converted to a pension on retirement, either within the Scheme or by the purchase of an annuity. This scheme is known as Growth Plan Series 4 ("GP4").

GP3 closed to further contributions from 30 September 2013, and during that year the charity consulted with employees and decided to offer GP4 from 1 October 2013 rather than exit the Scheme altogether and closed GP3 to new entrants. GP4 is deemed to be a "qualifying scheme" for the purposes of Auto Enrolment, and is in use by the charity as an Auto-Enrolment vehicle since its staging date of 1 May 2014. As at the balance sheet date there were 70 (2020: 61) active members of the Scheme employed by the charity.

The Pensions Act 2011 changed the definition of Money Purchase schemes, following which GP3 was classified as a defined benefit scheme. As a result, any liabilities within this Scheme must be included in the calculation of any debt on withdrawal.

It is not possible in the normal course of events to identify on a reasonable and consistent basis the share of underlying assets and liabilities belonging to individual participating employers because the Scheme is a multi-employer scheme, where the assets are co-mingled for investment purposes, and benefits are paid out of the Scheme's total assets.

Employer's debt on withdrawal

An employer debt will arise if the Scheme is wound up; a participating employer becomes insolvent; ceases to participate in the Scheme, or ceases to exist.

A debt liability will not crystallise as long as the charity continues to employ an active member of the Scheme. Note that failure to submit the Additional Contributions (see below) may result in the Trustee terminating the employer's participation in the Scheme, resulting in a cessation event. Should the charity withdraw from the Scheme, the actual debt figure would have to be calculated by the Scheme actuary at the date of withdrawal.

24. PENSIONS - continued

Valuation

The Scheme Trustee commissions an actuarial valuation of the Scheme every three years. The most recent valuation was at 30 September 2017 (previous valuation was at 30 September 2014). The purpose of the actuarial valuation is to determine the funding position of the Scheme by comparing the assets with past service liabilities as at the valuation date. Asset values are calculated by reference to market levels. Accrued past service liabilities are valued by discounting expected future benefit payments using a discount rate calculated by reference to the expected future investment returns.

The valuation at 30 September 2017 was performed by a professionally qualified Actuary using the Projected Unit Method. The market value of the Scheme's assets at the valuation date was £795 million (30 September 2014: £793 million) and the Scheme's Technical Provisions (i.e. past service liabilities) were £927 million (30 September 2014: £970 million). The valuation therefore revealed a shortfall of assets compared with the value of liabilities of £132 million (30 September 2014: £177 million), equivalent to a funding level of 85.8% (30 September 2014: 81.8%).

Buy Out Basis of valuation

The buy out (or, solvency) basis is the statutorily prescribed basis for calculating an employer's debt on withdrawal. It is also known as a "Section 75 debt" from that part of the Pensions Act 2004.

The debt for the Scheme as a whole is calculated by comparing the liabilities for the Scheme (calculated on a buy-out basis i.e. the cost of securing benefits by purchasing annuity policies from an insurer, plus an allowance for expenses) with the assets of the scheme. If the liabilities exceed the assets there is a buy-out debt.

Insurance companies tend to price annuities based on conservative assumptions for future investment returns and build in a risk allowance or safety margin to allow for the fact that the benefits are guaranteed. An element of profit is also included in the calculation. As a result, buy-out liabilities of the Scheme are significantly higher than the ongoing liabilities.

The leaving employer's share of the buy-out debt is the proportion of the Scheme's liability attributable to employment with the leaving employer compared to the total amount of the Scheme's liabilities (relating to employment with all the currently participating employers). The leaving employer's debt therefore includes a share of any 'orphan' liabilities in respect of previously participating employers. The amount of the debt therefore depends on many factors including total Scheme liabilities, Scheme investment performance, the liabilities in respect of current and former employees of the employer, financial conditions at the time of the cessation event and the insurance buy-out market. The amounts of debt can therefore be volatile over time.

Pension deficit funding arrangement

The charity participates in the Scheme, a multi-employer scheme which provides benefits to some 950 non-associated participating employers. The Scheme is a defined benefit scheme in the UK. It is not possible for the charity to obtain sufficient information to enable it to account for the Scheme as a defined benefit scheme. Therefore it accounts for the Scheme as a defined contribution scheme.

24. PENSIONS - continued

Pension deficit funding arrangement - continued

The Scheme is subject to the funding legislation outlined in the Pensions Act 2004 which came into force on 30 December 2005. This, together with documents issued by the Pensions Regulator and Technical Actuarial Standards issued by the Financial Reporting Council, set out the framework for funding defined benefit occupational pension schemes in the UK.

The Scheme is classified as a 'last-man standing arrangement'. Therefore the charity is potentially liable for other participating employers' obligations if those employers are unable to meet their share of the Scheme deficit following withdrawal (see above for conditions) from the Scheme. Participating employers are legally required to meet their share of the Scheme deficit on an annuity purchase basis on withdrawal from the Scheme.

A full actuarial valuation for the Scheme was carried out at 30 September 2017. This valuation showed assets of £795m, liabilities of £927m and a deficit of £132m. To eliminate this funding shortfall, the Trustee has asked the participating employers to pay additional contributions to the Scheme as follows:

Deficit contributions

From 1 April 2019 to 31 January 2025:	£11,243,000 per annum (payable monthly and increasing by 3% each on 1st April)

Unless a concession has been agreed with the Trustee the term to 31 January 2025 applies.

Note that the Scheme's previous valuation carried out with an effective date of 30 September 2014. This valuation showed assets of £793m, liabilities of £970m and a deficit of £177m. To eliminate this funding shortfall, the Trustee had asked the participating employers to pay additional contributions to the Scheme as follows:

Deficit contributions

From 1 April 2016 to 30 September 2025:	£12,945,440 per annum (payable monthly and increasing by 3% each on 1st April)
From 1 April 2016 to 30 September 2028:	£54,560 per annum (payable monthly and increasing by 3% each on 1st April)

The recovery plan contributions are allocated to each participating employer in line with their estimated share of the Series 1 and Series 2 scheme liabilities.

Where the Scheme is in deficit and where the charity has agreed to a deficit funding arrangement the charity recognises a liability for this obligation. The amount recognised is the net present value of the deficit reduction contributions payable under the agreement that relates to the deficit. The present value is calculated using the discount rate detailed in these disclosures. The unwinding of the discount rate is recognised as a finance cost.

24. PENSIONS - continued

Assumptions

	1 April 2021	31 March 2020	31 March 2019
	% per annum	% per annum	% per annum
Rate of discount	0.66	2.53	1.39

The discount rates shown above are the equivalent single discount rates which, when used to discount the future recovery plan contributions due, would give the same results as using a full AA corporate bond yield curve to discount the same recovery plan contributions.

The following schedule details the deficit contributions agreed between the charity and the Scheme at each year end period:

Deficit contribution schedule	1 April 2021	31 March 2020	31 March 2019
	£000s	£000s	£000s
Year 1	29	28	27
Year 2	30	29	28
Year 3	31	30	29
Year 4	27	31	30
Year 5	-	27	31
Year 6	-	-	27
Year 7	-	-	-
Year 8	-	-	-

It is these contributions that have been used to derive the charity's balance sheet liability of £115,109 (2020: £136,388).

25. COMPANY LIMITED BY GUARANTEE

The charitable company is limited by guarantee and has no share capital. Every member of the company undertakes to contribute to the assets of the company in the event of its being wound up, for payments of the debts and liabilities of the company, such amount as may be required, not exceeding £1.

26. FINANCIAL INSTRUMENTS

The charity has the following financial instruments:

	Notes	**01.4.21**	31.3.20
		£	£
Financial assets measured at amortised cost			
- Cash and cash equivalents		**1,592,557**	1,348,317
- Trade debtors	14	**61,256**	179,085
- Other debtors	14	**-**	395
		1,653,813	1,527,797
Financial liabilities measured at amortised cost			
- Trade creditors	15	**88,962**	58,445
- Other creditors	15	**63,234**	35,357
- Individual service funds	15	**141,553**	102,613
- Accruals	15	**520,060**	85,946
		813,809	282,361

27. RECONCILIATION OF NET INCOME TO NET CASH FLOW FROM OPERATING ACTIVITIES

	01.4.21	31.3.20
	£	£
Net income for the reporting period (as per the statement of financial activities)	**175,713**	10,550
Adjustments for:		
Depreciation charges	**7,366**	7,544
Interest received	**(7,081)**	(4,907)
Sleep-in payments provision	**-**	41,400
Decrease/(increase) in debtors	**132,926**	(54,836)
Increase/(decrease) in creditors/provisions	**554,848**	(106,464)
Net cash provided by (used in) operating activities	**863,772**	(106,713)

28. ANALYSIS OF CHANGES IN NET CASH

Current year	At 1.4.20	Cash flows	At 01.4.21
	£	£	£
Cash at bank and in hand	1,348,317	244,240	1,592,557
Loans failing due after more than one year	-	(1,040,237)	(1,040,237)
	1,348,317	(795,997)	552,320