

# Harpenden Mencap

Report and Financial Statements  
for the year ended 31 March 2024



A Company limited by Guarantee  
Company Number (England & Wales): 02903642  
Charity Registration Number: 1035252

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## Officers and Advisers:

Registered Office and operational address	Stairways 19 Douglas Road Harpenden AL5 2EN Company Number (England and Wales): 02903642 Charity Number: 1035252
Trustees, Directors & Members of Executive:	Peter Taylor ( <i>Chair</i> ) Caroline Rosser-Smith ( <i>Vice Chair</i> ) Nick Latham ( <i>Treasurer</i> ) Gary Caseberry Julie Caseberry John Wallace Annemari Ottridge ( <i>appointed 1 September 2023</i> )
Chief Executive Officer:	Angela Duce
Head of Finance & Operations:	Sara Ramsey
Service Managers:	Leigh Benford: Residential Claire Wilson: Community Services
Bankers:	Triodos Bank UK Ltd Deanery Road Bristol BS1 5AS
Solicitors:	Taylor Walton TW House Station Approach Harpenden AL5 4SP
Independent Auditors:	Miller & Co Chartered Accountants 5 Imperial Court Laporte Way Luton LU4 8FE
Patron:	John Kitching
Contact details:	website: <a href="http://www.harpendenmencap.org.uk">www.harpendenmencap.org.uk</a> email: <a href="mailto:office@harpendenmencap.co.uk">office@harpendenmencap.co.uk</a> phone: 01582 460055 facebook: <a href="https://www.facebook.com/LocalHarpendenMencap/">www.facebook.com/LocalHarpendenMencap/</a> twitter: <a href="https://twitter.com/HarpendenMencap">twitter.com/HarpendenMencap</a>

## Introduction from the Chairman and CEO

Our property needs have been very much at the forefront of our minds during this period. The 'My Home Life' project led us to seek the views about housing from the people we currently support and those who have expressed an interest in support from Harpenden Mencap. The overwhelming wish was to live in Harpenden in individual or small shared accommodation. We were, therefore, over the moon to be offered 7 new houses for lease from St Albans City and District Council in the Batford area of Harpenden. Early in 2025, 16 people will be moving into these amazing properties supported by Harpenden Mencap. We were also fortunate to be able to secure two, single-occupancy apartments in New Greens, St Albans enabling two people to move into their new homes during the year.

These opportunities have provided the much needed accommodation to allow us to consider the future of Stairways on Douglas Road. Whilst it has been the central hub of Harpenden Mencap for many, many years, the ageing building is no longer fit for purpose. This has meant that, as the people we support age, we cannot necessarily meet their changing needs.

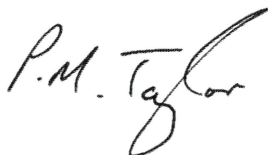
Whilst no decisions have yet been made on the future of the Stairways site, we are continuing to look at the options to provide the most sustainable future for our services in the area, ensuring that the people we support have access to appropriate, affordable housing. We are excited to say that our future services will be predominately supported living with our Residential Care Home being de-registered early in 2025.

It is the rising costs of repairs along with a reduction in fundraising income to meet the increase, that have been our greatest challenges throughout the year. An old building such as Stairways has a constant need for repairs, and even though Pine Court is a much newer building, changes in legislation and upgrades has meant that much of our voluntary income continues to be invested in maintaining the environments.

With this in mind, the period ahead will involve a much heavier focus on our fundraising activities to increase our voluntary income allowing us to rebuild our reserves and continue to go 'above and beyond' what is provided through statutory funding.

It has been through grant funding over the past year that we have been able to grow our social activities through the Britannia Club, Friendship Groups and more recently, the inauguration of our 'Allotment Club'.

Our staff, volunteers and trustees work together to deliver the highest quality of services and we remain ever grateful to our staff team for their unwavering commitment to the people we support and look forward to an exciting year ahead.

A handwritten signature in black ink, appearing to read 'P.M. Taylor'.

**Peter Taylor**  
Chair of Trustees

A handwritten signature in black ink, appearing to read 'Angela Duce'.

**Angela Duce**  
Chief Executive Officer



## Trustees Report

The Trustees are pleased to present their combined annual report and the audited accounts including the Directors report for the year ended 31 March 2024 which have been prepared in accordance with the accounting policies set out in the note to these accounts. The Trustees, and Directors of the Company other administrative details are shown on page 2.

## Governance, Structure and Management

Governance	<p>The Charity was founded in 1959. It is a charitable company, limited by guarantee and incorporated on 2 March 1994. We are also a registered charity.</p> <p>The company was established under a Memorandum of Association and Articles, last reviewed in 2012. The Memorandum establishes the powers and objectives of the charitable company and is governed by the Articles. In the event that the company is wound up the members are required to contribute a maximum of £1. They do not share in any assets if there is a surplus.</p> <p>Harpenden Mencap is a totally self-funded company and rely on our own resources. We are affiliated to Royal Mencap but receive no financial support from them.</p>
Structure	<p>The Charity has an Executive Committee, up to 12 members; details of members in the period are given on Page 2. The Committee meets monthly and is responsible for the strategy and direction of the charity. The members of the Executive Committee are Directors of the Company and Trustees of the Charity.</p> <p>The Executive Committee has overall control of the charity, including the day-to-day activities although as noted below, these are delegated. In addition to the strategic input, members of the Committee support campaigning, publicity and other activities. All members of the committees give their time voluntarily and generally receive no benefits from the charity.</p> <p>Trustee appointments are confirmed by the members at the Annual General Meeting, including any Trustees co-opted since the previous AGM. Potential trustees are invited to attend Executive Committee meetings or working party groups before being appointed. On appointment there is an induction process including a pack with background information and guidelines on duties and responsibilities, covering both general Charity Commission guidance and items specific to the Charity.</p> <p>Currently there is no fixed term or rotation of Trustees.</p> <p>Members of the Executive Committee have specific areas of expertise and skill set reviews are undertaken to identify strengths and weaknesses as different circumstances arise.</p>
Management	<p>The responsibility for the day to day running of the charity is delegated to the Chief Executive Officer (CEO) and Senior Management team.</p> <p>The CEO attends and presents at the Executive Committee meetings. The CEO also liaises regularly with Chair, Treasurer and other members of the Executive Committee.</p>

## Objectives and Activities

Objectives	<p>The charity's objectives set out in the Company's Memorandum of Association are:</p> <ul style="list-style-type: none"><li>• The relief of people with a learning disability in particular by the provision of help and support for them and their families, dependents and carers, and to prevent learning disabilities for the public benefit;</li><li>• to provide or assist in the provision of facilities for the recreation or leisure time occupation for people who have need thereof by reason of learning difficulty with the objective of improving their conditions of life.</li></ul>
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Activities	<p>Harpenden Mencap currently runs Residential and Community Support Services from two sites registered with the Care Quality Commission.</p> <p>We provide residential care to ten people at Stairways and support to eight tenants at Stairways, and a further eleven tenants at Pine Court within the Community Services provision, together with other people living in their own homes in the local area.</p>
The last year and looking ahead	<p>Harpenden Mencap has a strong legacy that is characterised by collaboration, ambition, responsiveness and empowerment, values that underpin everything that we do. Harpenden Mencap has always sought to go 'above and beyond' for the people we support, ensuring that everyone receives the care and support they need to live a full and active life as citizens of the local community.</p> <p>With the aid of voluntary income, throughout the year we ran two projects to gauge the wants and needs of adults with learning disabilities in the local area. One was focused on supporting people with 'occupation' – looking at their dreams and aspirations, and the other, 'My Home Life' looked at where and how people wanted to live. The latter project has informed our efforts to acquire new, more independent housing for people who currently reside at Stairways and will underpin our accommodation strategy.</p> <p>Whilst the number of beneficiaries in our accommodation-based services remained static, our social activities have grown significantly over the year. Our long-standing Britannia Club joined forces with Harpenden Gateway to enable the club to run every week. With a move to new premises with the Harpenden Trust, the club has gone from strength to strength providing a valuable resource to local adults to prevent isolation and promote confidence. This has also extended to include friendship group meetings and an allotment club to aid the development of social skills and active citizenship.</p>
Property and accommodation update	<p>As highlighted in previous reports, the Stairways building no longer fully meets the changing needs of all residents and tenants, leading us to seek alternative accommodation. We are now in advanced negotiations to acquire leasehold premises in Harpenden, which would provide housing for up to 16 residents. We anticipate completing the relocation in early 2025, contingent on finalising the lease. Two tenants have already successfully relocated to a property in north St Albans.</p> <p>Following this progress, the Trustees have initiated a review of potential future uses for the Stairways site on Douglas Road. This review will consider various options to ensure the site's use aligns with our charitable objectives and represents the best use of our resources. We will provide further information as these plans develop.</p> <p>We recognise that we have been unable to provide accommodation for some residents with more profound needs. This has reinforced the importance of considering inclusion of such facilities in our future plans and will be a key element of our long-term property strategy.</p>
Key activities	<p>Our fundraising has remained much reduced throughout the year as we were unable to recruit a professional fundraiser to support our efforts. However, we were fortunate enough to be the Mayor of Harpenden's charity of the year and benefited from her fundraising activities including the popular Carol Concert in the centre of Harpenden. In addition, the Lion's Club of Harpenden named Harpenden Mencap as a beneficiary of the Highland Gathering.</p> <p>We thank the Mayor, Harpenden Lions and the local community for continuing to think of Harpenden Mencap and for offering vital support during these challenging, financial times.</p> <p>During the year we continued to improve our services and our efficiency by:</p> <ul style="list-style-type: none"><li>• Continuing the roll out of our 'Going Digital' strategy;</li><li>• Migrating our servers to the 'Cloud' to provide more resilience;</li><li>• Outsourcing our Payroll to an external provider and providing staff with instant access to pay information;</li><li>• Making improvements to our properties including essential large repairs;</li><li>• Adapting a flat and providing the equipment to meet the changing needs of the tenant;</li></ul>

- Support people to go on holiday and to access other social activities.

## Risk

The Executive Committee has conducted a review of the major risks to which the charity is exposed. A dynamic risk register is in place and is regularly updated. Where appropriate, systems and procedures have been established to mitigate the risks the charity faces.

Principal risks	What the risks mean	How we manage the risks
Recruitment and retention of Care and Support Staff	It is widely publicised that there is a staffing issue across the social services sector and Harpenden Mencap immune to this. We have a history of retaining staff for a long period of time, it has become difficult to recruit to replace staff.	We continue to employ agency staff to ensure the provision of commissioned hours to the people we support. An ongoing recruitment campaign is underway to boost our number of bank staff but also to encourage staff to take full-time contracts.
Loss of earned income	A lot of our existing service provision is based on the number of current service users. We can increase the level of support relatively quickly if demand increases but it is harder to react to a loss of income, especially where fixed costs have to be absorbed amongst fewer users.	We have to minimise the level of fixed costs, although not always within our control. We also have to maintain a sufficient level of reserves and cash resources to cover extended periods of depleted income.
Loss of fundraising income	Fundraising income is used to support our charitable objectives and allows us to go the extra mile to support our residents and clients. If this fundraising fails to materialise this enhanced provision would be curtailed	The Trustees reviewed the fundraising strategy, including investing in additional resources to support the fundraising effort. We continue to re-engage with our existing donors and are extending our list of contacts and fundraising opportunities. A dedicated fundraising resource will be put in place in 2025
Property not being fit for purpose	If any of our properties became unfit for purpose we would, at worst case, have to relocate our residents, possibly to other service providers.	In the short term we adopted a reactive maintenance and repair programme. As noted elsewhere we are in an advance stage of negotiations for a short term leasehold and are reviewing our options for the site in Douglas Road and other opportunities.

Significant external risks to funding have led to the development of a strategic plan which will allow for the diversification of funding and activities.

Internal control risks are minimised by the implementation of procedures for authorisation of all transactions and projects. Procedures are in place to ensure compliance with health and safety of staff, volunteers, residents and visitors. These procedures are reviewed periodically to ensure that they continue to meet the needs of the charity.



## Approach to Fundraising

We are extremely grateful to those who have contributed to the charity, including legacies and participating in our annual golf day. It is these funds that enable us to go above and beyond in the service we offer to our residents. Fundraising is essential to help us to ensure the people who use our services can achieve their aspirations and expand our services, supporting even more people.

Since the pandemic we have had difficulties in recruiting a dedicated fundraiser but have now made an appointment who will be in post in early 2025.

The three main strands of our fundraising will be:

- funding for specific activities; including employment opportunities and our outreach services
- contributions towards our property development aspirations
- and, most important, but generally the hardest to achieve is funding for core activities and overheads

We have bold plans to move our tenants and residents to new accommodation in the local area which will enable us to expand and develop our services. To deliver these plans, we are reliant on additional income generated through fundraising. We have been lucky to receive generous donations in the past, however, we are now particularly reliant on donations secured through proactive fundraising.

We have reviewed our historic fundraising performance, understood our strengths and weaknesses, opportunities and threats, benchmarked our performance against similar organisations and reviewed our current fundraising offer, and the case for support and resources. With this in mind, we aim to relaunch our fundraising strategy to achieve a significant increase in our voluntary income over the next two years.

There are many ways to support Harpenden Mencap. Visit our website to learn more about volunteering, donating, or sponsoring our event

## Financial Review

Income	Income in the year under review showed a reduction of £47k to £2,463k (2023: £2,510).
	With the end of Covid funding and the closure of the shop last year, there has been no income from these revenue streams which petered out last year (£4k and £19k respectively).
	Fundraising income remained static at £11k (2023: £10k). Fundraising continued to be a struggle and our income was significantly below pre-covid achievements.
	We are grateful to all the donors who have contributed to the charity. What you contribute is what allows us to go that bit further to help our service users.
Expenditure	Total expenditure decreased by £194K to £2,506k (2023: £2,700). This was primarily due to the closure of the shop and a redundancy payment in the prior year
Net surplus and cash balance	Overall there was a loss in the year of £43K (2023: deficit £190k).
	The charitable activities, being the core business providing residential services and Community Support, returned a deficit of £94k (2023: £(323)k). This includes a vacancy in Flat 2 which is difficult to fill as it is an upstairs room in residential care.
	The cash balance at 31 March 2024 was £499k (2023: £607k).

## Reserves policy

The Executive Committee have assessed that the free reserve requirement is £500k to cover working capital requirements and potential fluctuations in earned and donated income and having regard to prevailing conditions.

Given the uncertainty relating to future economic conditions and potential higher cost inflation than has been the case in recent times, we need to maintain our reserves at the highest level to cover potential net outflows in the foreseeable future.

The overall reserves at 31 March 2024 were £2,751k of which £57k was restricted. The unrestricted reserves, amounted to £2,694k:

	£'000
• fixed assets, less the associated property mortgage	2,351
• designated funds	-
• free reserves	343

The Trustees agreed to lift the designation of funds from previous years as part of the project to look afresh at the property and business model, making best use of the charity assets and funds.

There is a deficit on free reserves of £157k (2023: deficit £241k) compared to the assessed requirement of our reserves policy (£500k). This is due to using reserves this year to support the Charities operations. The Charity will seek to replenish these reserves in future years.

## Staff

The Trustees would like to thank all members of the staff, whether front line or support, as well as the senior management team, for an incredible contribution and support throughout the year.

## Related parties

There were no related party transactions in this year. In the prior year, to cover for the absence of critical staff members during a 4 month period, one of our Trustees, Nick Latham, provided finance and support services through a company of which he is a Director and shareholder. The total amount paid was £11,041.

## Subsequent event

Following the year end, an opportunity arose for the charity to relocate the residents at the Stairways site, which is no longer considered fit for purpose. We are in advance stages of securing new leasehold accommodation and are hoping to vacate the Stairways building in the first quarter of 2025. The Trustees are in the process of evaluating the options available for the site to make best use of the charity's assets and resources for the benefit of those we support.

## Plans for future periods

We have four main ambitions going forward:

- to develop the range and quality of our services through collaboration with the people we support, their families and the community;
- to provide modern, sustainable, and innovative housing solutions to enable every local person with a learning disability to receive the support of Harpenden Mencap if they wish;
- promote knowledge and change in the local community through effective marketing, lobbying and education;
- develop and strengthen the support network we have with supporters, donors, families, and the community.

## Going concern

The Trustees have a duty to ensure that when presenting this report that the charity will be in a position to continue its activities and meet its liabilities for at least the next 12 months.

The Executive Committee frequently confer with the CEO and Management team on current events and future projections and the impact on the future of the company. An annual budget is prepared, and regular forecast updates for the current year and future periods are reviewed by the Executive Committee.

Our current projections show that the charity is expected to be able to meet its liabilities as they fall due for the foreseeable future.

After careful consideration of these factors, the trustees have concluded that the going concern basis of preparation is appropriate.

## Statement of Trustee's responsibilities

The Executive Committee Members as Directors and Trustees are responsible for preparing the Annual Report and the Accounts in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

Company law applicable to charities in England & Wales requires the Trustees to prepare accounts for each financial year which give a true and fair view of the state of affairs of the charity and of the incoming resources and application of resources of the charity for that period including expenses of the charitable company for that period.

In preparing these accounts, the Trustee is required to:

- select suitable accounting policies and then apply them consistently
- observe the methods and principles in the Charities SORP 2019 (FRS102)
- make judgments and accounting 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 accounts
- prepare the accounts on the going concern basis unless it is inappropriate to presume that the charity will continue in operation.

The Executive Committee Members are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the charity and enable them to ensure that the accounts comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the charity and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The Executive Committee confirm that they have complied with the duty in Section 4 of the Charities Act 2011 to have regard to the guidance published by the Charity Commission, including public benefit guidance.

## Disclosure of information to auditors

The trustees confirm that so far as they are aware:

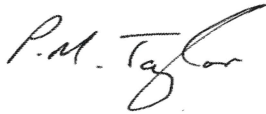
- there is no relevant audit information (as defined by section 418(3) of the Companies Act 2006) of which the charitable company's auditors are unaware; and
- they have taken all the steps that they ought to have taken as trustees in order to make themselves aware of any relevant audit information and to establish that the charitable company's auditors are aware of that information

## Appointment of Auditors

A resolution proposing that Miller & Co of Luton and Harpenden are re-appointed will be put to the Annual General Meeting.

This report has been prepared in accordance with the Statement of Recommended Practice - Accounting and Reporting by Charities and in accordance with the special provisions of Part 15 of the Companies Act 2006 relating to small entities.

This report was approved by the Trustees. Signed on their behalf on 23 December 2024 by:

A handwritten signature in black ink, appearing to read 'P.M. Taylor'.

**Peter Taylor**  
Chairman of Executive Committee  
& Trustee

A handwritten signature in black ink, appearing to read 'Nick Latham'.

**Nick Latham**  
Member of the Executive Committee  
& Trustee



## Report of the Independent Auditor's to the Members of Harpenden Mencap

### Opinion

We have audited the financial statements of Harpenden Mencap (the 'charitable company') for the year ended 31 March 2024 which comprise the Statement of Financial Activities, Balance Sheet, Statement of Cashflows and Notes to the Financial Statements, including significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland* (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the 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 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' Report, other than the financial statements and our auditor's report thereon. The trustees are responsible for the other information. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon. 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.

### Opinions on other matters prescribed by the Companies Act 2006

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

- the information given in the trustees' report, which includes the directors' report prepared for the purposes of company law, for the financial year for which the financial statements are prepared is consistent with the financial statements; and

- the directors' report included within the trustees' 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 directors' report included within the trustees' report.

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

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; 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 trustees' responsibilities statement set out on page 7 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 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.

Because of the inherent limitations of an audit, there is a risk that we will not detect all irregularities, including those leading to a material misstatement in the financial statements or non-compliance with regulation. This risk increases the more that compliance with a law or regulation is removed from the events and transactions reflected in the financial statements, as we will be less likely to become aware of instances of non-compliance. The risk is also greater regarding irregularities occurring due to fraud rather than error, as fraud involves intentional concealment, forgery, collusion, omission or misrepresentation.

The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

We identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and then design and perform audit procedures responsive to these risks, including obtaining audit evidence that is sufficient and appropriate to provide a basis for our opinion.

### Identifying and assessing potential risks related to irregularities

In identifying and assessing risks of material misstatement in respect of irregularities, including fraud and non-compliance with laws and regulations, we considered the following:

- the nature of the industry, control environment and business performance;

- the results of our enquiries of management about their own identification and assessments of the risks of irregularities;
- any matters we identified having obtained and reviewed the company's policies and procedures relating to:
  - identifying, evaluating and complying with laws and regulations and whether they were aware of any instances of non-compliance;
  - detecting and responding to the risks of fraud and whether they have knowledge of any actual, suspected, or alleged fraud;
  - the matters discussed among the audit engagement team regarding how and where fraud might occur in the financial statements and any potential indicators of fraud.

In common with all audits under ISAs (UK) we are also required to perform specific procedures to respond to the risk of management override.

We also obtained an understanding of the legal and regulatory framework that the company operates in, focusing on provisions of those laws and regulations that had a direct effect on the determination of material amounts and disclosures in the financial statements, such as the Companies Act 2006.

In addition, we considered the provisions of other laws and regulations that do not have a direct effect on the financial statements but compliance with which may be fundamental to the Company's ability to operate or to avoid a material penalty.

Audit response to risk identified.

Our procedures to respond to risks identified included the following:

- Reviewing the financial statement disclosures to assess compliance with provisions of relevant laws and regulations described as having a direct effect on the financial statements;
- Performing analytical procedures to identify any unusual or unexpected relationships that may indicate material misstatement due to fraud;
- In addressing the risk of fraud through management override of controls, the testing of the appropriateness of journal entries and other adjustments and evaluating the business rationale of any significant transactions that are unusual or outside the normal course of business.

We also communicated relevant identified laws and regulations and potential fraud risks to all engagement team members and remained alert to any indications of fraud or non-compliance with laws and regulations throughout the audit.

A further description of our responsibilities is available on the FRC's website at: [www.frc.org.uk/auditorsresponsibilities](http://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 charitable company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the charitable company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charitable company and the charitable company's members as a body, for our audit work, for this report, or for the opinions we have formed.

R A Cox (Senior Statutory Auditor)

For and on behalf of Miller & Co

Statutory Auditors

Chartered Accountants

5 Imperial Court

Laporte Way

Luton, Bedfordshire

LU4 8FE

23 December 2024



## Statement of Financial Activities

(Including Income and Expenditure Account)

		Unrestricted Funds	Restricted Funds	Total Funds 2024	Total Funds 2023
	Notes	£	£	£	£
<b>Income:</b>					
Donations and legacies	2	20,731	12,152	32,883	205,341
Charitable Activities	3	2,405,920	-	2,405,920	2,269,868
Other trading activities	4	-	-	-	19,214
Fundraising income	5	11,438	-	11,438	10,388
Investment income: bank interest		13,146	-	13,146	5,244
<b>Total Income</b>		<b>2,451,235</b>	<b>12,152</b>	<b>2,463,387</b>	<b>2,510,055</b>
<b>Expenditure:</b>					
Charitable activities	3	2,461,713	37,989	2,499,702	2,592,711
Other trading activities	4	-	-	-	91,433
Fundraising costs	4	6,364	-	6,364	15,663
<b>Total Expenditure</b>		<b>2,468,077</b>	<b>37,989</b>	<b>2,506,066</b>	<b>2,699,807</b>
<b>Net Income/(Expenditure) before transfers</b>		<b>(16,842)</b>	<b>(25,837)</b>	<b>(42,679)</b>	<b>(189,752)</b>
Transfers between funds	18	-	-	-	-
<b>Net movement in funds for the year</b>	<b>6,7</b>	<b>(16,842)</b>	<b>(25,837)</b>	<b>(42,679)</b>	<b>(189,752)</b>
<b>Total Funds at 1 April 2023</b>		<b>2,710,722</b>	<b>83,429</b>	<b>2,794,151</b>	<b>2,983,903</b>
<b>Total funds at 31 March 2024</b>	<b>18</b>	<b>2,693,880</b>	<b>57,592</b>	<b>2,751,472</b>	<b>2,794,151</b>

All income and expenditure derive from continuing activities. The Statement of Financial Activities includes all gains and losses recognised in the year.

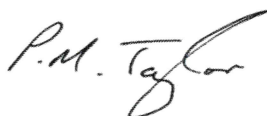
The notes on pages 17 to 25 form part of these financial statements.

## Balance Sheet

	Notes	Total 2024 £	Total 2023 £
<b>Fixed assets:</b>			
Freehold property	12	3,187,330	3,187,330
Other tangible fixed assets	13	49,115	45,428
<b>Total Fixed Assets</b>		<b>3,236,445</b>	<b>3,232,758</b>
<b>Current Assets</b>			
Debtors and prepayments	14	72,455	77,283
Cash at bank and in hand		499,944	606,528
		<b>572,399</b>	<b>683,811</b>
<b>Creditors</b>			
Amounts falling due within one year	15	(217,470)	(248,813)
<b>Net Current Assets</b>		<b>354,929</b>	<b>434,998</b>
<b>Creditors</b>			
Amounts falling due after more than one year	16	(839,902)	(873,605)
<b>Total Net Assets</b>		<b>2,751,472</b>	<b>2,794,151</b>
<b>The Charity Funds</b>	17		
Unrestricted funds		2,693,880	2,573,006
Designated funds		-	137,716
Total unrestricted funds		2,693,880	2,710,722
Restricted funds		57,592	83,429
<b>Total Charity Funds</b>		<b>2,751,472</b>	<b>2,794,151</b>

The Financial Statements which have been prepared in accordance with the special provisions relating to the small companies regime within Part 15 of the Companies Act 2006 were approved and authorised for issue by the Board on: **23 December 2024**

Signed on behalf of the Board of Directors by:



**Peter Taylor**  
Chairman of Executive Committee  
& Trustee



**Nick Latham**  
Member of Executive Committee  
Treasurer & Trustee

The notes on pages 17 to 25 form part of these financial statements

## Statement of Cash Flows

	2024	2023
	£	£
<b>Reconciliation of net income to net cash flow from operating activities:</b>		
Net income/(expenditure) for year	(42,679)	(189,752)
Investment income	(13,146)	(5,244)
Depreciation on tangible assets	30,654	34,862
Loss on sale of assets	305	3,269
(Increase)/Decrease in debtors	4,828	434,559
Increase/(Decrease) in creditors	(32,187)	42,730
Increase/(Decrease) in deferred income	695	4,373
<b>Net cash (outflow)/inflow from operating activities</b>	<b>(51,530)</b>	<b>324,797</b>
<b>Cash flows from investing activities:</b>		
Investment income	13,146	5,244
Purchase of tangible fixed assets	(34,646)	(15,194)
<b>Net cash (absorbed) by investing activities</b>	<b>(21,500)</b>	<b>(9,950)</b>
<b>Cash flows from Financing activities</b>		
Repayment of loan	(33,554)	(48,436)
<b>Net cash absorbed in financing activities</b>	<b>(33,554)</b>	<b>(48,436)</b>
<b>Change in cash or cash equivalents in the reporting period</b>	<b>(106,584)</b>	<b>266,411</b>
Cash and cash equivalents at 31 March 2023	606,528	340,117
<b>Cash and cash equivalents at 31 March 2024</b>	<b>499,944</b>	<b>606,528</b>

Analysis of changes in net debt	At 31 March 2023 £	Cash Flow £	At 31 March 2024 £
<b>Cash:</b> at bank and in hand	340,117	159,877	499,994
<b>Debt:</b> Secured bank loan	(967,267)	81,990	(885,277)
<b>Total</b>	<b>(627,150)</b>	<b>241,867</b>	<b>(385,283)</b>

## Notes to the Financial Statements

### 1. Accounting Policies

#### (a) Basis of accounting

Harpenden Mencap is a private company limited by guarantee registered in England and Wales. The charitable company constitutes a public benefit entity as defined by FRS 102. The financial statements have been prepared in accordance with Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland issued in October 2019, the Financial Standard applicable in the United Kingdom and Republic of Ireland (FRS 102), the Charities Act 2011, the Companies Act 2006 and UK Generally Accepted Accounting Practice.

The financial statements are prepared on a going concern basis under the historical cost convention.

The financial statements are presented in pounds sterling which is the functional currency of the charitable company and are rounded to the nearest pound.

#### (b) Fund accounting

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

Designated funds are unrestricted funds earmarked by the Executive Committee for particular purposes. Restricted funds are subjected to restrictions on their expenditure imposed by the donor or through the terms of an appeal.

Details of the nature and purpose of each fund are set out in notes 17 and 18.

#### (c) Fixed assets

Fixed assets are stated at cost less accumulated depreciation. The costs of minor additions or those costing below £300 are not capitalised.

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

Freehold land	Nil
Freehold buildings	2%
Vehicles, furniture, and equipment	25% -33 1/3% on cost

#### (d) Income

All incoming resources are included in the Statement of Financial Activities when the Charity is entitled to the income and the amount can be quantified with reasonable accuracy. The following specific policies are applied to particular categories of income:

- charges for residents are included in the financial statements on the basis of amounts receivable in the year.
- Donations, Subscriptions, Charity shop and other fundraising income is accounted for as received by the Charity.
- Legacies are included when the Charity is advised by the personal representative of an estate that payment will be made and the amount involved can be quantified.
- clothing and other items donated for resale through the Charity Shop are included as incoming resources within activities for generating funds when they are sold.
- investment income is included when receivable.
- the value of services provided by volunteers has not been included in these accounts.



## **(e) Expenditure**

Expenditure is recognised on an accruals basis as liability is incurred. Expenditure includes any VAT which cannot be fully recovered, and is reported as part of the expenditure to which it relates:

Fundraising costs comprise the cost associated with attracting voluntary income.

### **(e) Expenditure (Continued)**

Charitable expenditure comprises those costs incurred by the Charity in the delivery of its activities and services for its beneficiaries. It includes both costs that can be allocated directly to such activities and those costs of an indirect nature necessary to support them.

Governance costs include those costs associated with meeting the constitutional and statutory requirements of the Charity and include the audit fees and costs linked to the strategic management of the Charity.

All costs are allocated between the expenditure categories of the Statement of Financial Activities on a basis designed to reflect the use of the resource. Costs relating to a particular activity are allocated directly, others where material, are apportioned on an appropriate bases, comprising per capita and estimated usage.

## **(f) Debtors and creditors receivable/payable within one year**

Debtors and creditors with no stated interest rate and receivable and payable within one year are recorded at transaction price.

## **(g) Pensions**

The Charity provides a defined contribution personal pension scheme arrangement for its employees. The pension charge in the accounts represents the amounts payable by the charity to the funds in respect of the year for employee members.

## **(h) Operating Leases**

Rentals applicable to operating leases where substantially all of the benefits and risk of ownership remain with the lessor are charged to the accounts as incurred.

## **(i) Financial Instruments**

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

## **(j) Tax**

The charity is an exempt charity within the meaning of schedule 3 of the Charities Act 2011 and is considered to pass the tests set out in paragraph 1 Schedule 6 Finance Act 2010 therefore it meets the definition of a charitable company for UK Corporation tax purposes.

## **(k) Going Concern**

The financial statements have been prepared on a going concern basis as the trustees believe that no material uncertainties exist, except as disclosed below. The trustees have considered the level of funds held and the expected level of income and expenditure for 12 months from authorising these financial statements. The budgeted income and expenditure is sufficient with the levels of reserves for the charity to be able to continue as a going concern.

## **(l) Judgements and the key sources of estimation uncertainty**

Preparation of the financial statements requires management to make significant judgements in applying the accounting policies of the charitable company and estimates and assumptions that have significant effect on the recognition and measurement of assets, liabilities, income, and expenses. Actual results may be different to those estimates.

## (m) Government Grants

Income from Government grants is recognised in the period for which they are received.

## 2. Donations and legacies

	Unrestricted £	Restricted £	2024 £	2023 £
Donations	20,376	8,152	28,528	45,271
Legacies	-	-	-	125,276
Subscriptions	355	-	355	380
Grants	-	-	-	34,414
Other		4,000	4,000	-
	20,731	12,152	32,883	205,341

Out of total funds last year of £205,341, restricted funds totalled £55,103.

## 3. Charitable Activities

	Unrestricted £	Restricted £	2024 £	2023 £
<b>Incoming Resources</b>				
From Public Authorities	2,015,756	-	2,015,756	1,897,007
Grants and government pandemic support	290	-	290	3,511
Rental income	341,935	-	341,935	317,549
Fees for using facilities and services	47,939	-	47,939	51,801
<b>Total services income</b>	2,405,920	-	2,405,920	2,269,868
<b>Charitable activities costs</b>				
Staff Costs	1,952,779	25,620	1,978,399	2,108,531
Depreciation	30,654	-	30,654	34,317
Secured Loan Interest payable	65,397	-	65,397	43,441
Other direct costs	405,778	8,327	414,105	394,962
Governance costs 6	11,147	-	11,147	11,460
	2,465,755	33,947	2,499,702	2,592,711
<b>Net deficit on charitable activities</b>	(59,835)	(33,947)	(93,782)	(322,843)

Out of total funds last year of £322,843, £4,792 relate to restricted funds.

## 4. Other Trading Activities

	Unrestricted	Restricted	2024	2024
	£	£	£	£
Shop: income	-	-	-	19,214
Grants and government pandemic support	-	-	-	-
Total income	-	-	-	19,214
Shop expenditure:				
Staff costs	-	-	-	(41,952)
Other	-	-	-	(49,481)
Net deficit on other trading activities	-	-	-	(72,219)

## 5. Fundraising activities

	Unrestricted	Restricted	2024	2023
	£	£	£	£
Income	11,438	-	<b>11,438</b>	10,388
Expenditure	(6,364)	-	<b>(6,364)</b>	(15,663)
	5,074	-	<b>5,074</b>	(5,275)

## 6. Governance costs

	2024	2023
	£	£
Professional fees - Auditor's remuneration	<b>6,020</b>	5,640
Administrative salaries	<b>4,560</b>	4,560
Insurance - Trustee indemnity	<b>567</b>	1,093
Other	-	167
	<b>11,147</b>	11,460

## 7. Net Income/Expenditure

Net Income/(Expenditure) in the year is stated after crediting/ (charging):

	Note	2024 £	2023 £
Pandemic related support	8	-	3,511
Staff costs	9	(1,982,958)	(2,155,042)
Auditor's remuneration		(6,020)	(5,640)
Depreciation		(30,654)	(34,862)

Non-audit services: In common with many other businesses of our size and nature we use our auditors to assist us with the provision of other services from time to time. During the year ended 31st March 2024 no other services were provided.

## 8. Pandemic related support

Pandemic related support	Grants £	Cost recovery £	2024 £	2023 £
Hertfordshire County Council (HCC):				
Grants towards costs of infection control	-	-	-	3,511
	-	-	-	3,511

The Grants from HCC are towards costs of staff diverted from their normal duties to combat the pandemic and deal with covid related issues. The cost recovery was in respect of specific additional costs incurred because of the pandemic.

## 9. Staff costs

	2024 £	2023 £
Salaries	1,533,606	1,554,990
Social security costs	124,681	139,853
Employer contributions to pension schemes	63,286	69,243
Redundancy costs	-	55,687
Other employment costs	-	32,275
Total employment costs	1,721,573	1,852,048
Agency costs	261,385	302,994
	1,982,958	2,155,042

Total emoluments of £310,190 (2023: £300,410) were paid to 6 key management personnel. One employee received emoluments of between £70,000 and £80,000 (2023: one employee between £70,000 and £80,000).

No emoluments were paid to Trustees (2023:nil).

The charity provides a defined contribution pension arrangement for its eligible employees. The pension contributions made in the year, disclosed above, are in respect of 71 (2023-72) employees.

The average full-time equivalent monthly number of employees was:

Staff numbers	2024	2023
Support Services	48	56
Administration	5	5
	53	61

## 10. Trustee Remuneration & Related Party Transactions

No member of the Executive Committee received any remuneration for this year for their services as a Trustee, and no relevant expenses were reimbursed to Trustees for this year. In the prior year, Nick Latham provided financial support services in the period from November to March; The total paid under this contract was £11,041.

## 11. Taxation

The Charity is exempt from tax on income and gains falling within section 505 of the Taxes Act 1988 or section 256 of the Taxation of Chargeable Gains Act 1992 to the extent that these are applied in furtherance of its charitable objects. No charges to taxation have arisen on the charity in the year. (2023 - none)

## 12. Freehold Property

	2024	2023
	£	£
Cost: Pine Court	2,608,309	2,608,309
Stairways	579,021	579,021
	3,187,330	3,187,330

### Freehold Property: 'Pine Court'

The freehold property known as 'Pine Court' is situated in Carlton Road, Harpenden. The building is wholly used for charitable purposes and is held to provide services to the charity's beneficiaries. Accordingly, the value in use comprises the present value of the asset's service potential which is best represented by depreciated replacement cost. This is greater than the actual cost which therefore remains the appropriate carrying value in the accounts and, accordingly, no depreciation is required in accordance with accounting policy 1c.

### Freehold Property: 'Stairways'

The freehold property, known as 'Stairways' is situated in Douglas Road, Harpenden. The building is mainly used for charitable purposes and is held to provide services to the charity's beneficiaries. Given that the indicative current market value of the property and, accordingly, the probable residual value is in excess of £3,000,000 the appropriate carrying value in the accounts remains cost and no depreciation is required in accordance with accounting policy 1c.

The application of the buildings depreciation policy 1c is reviewed annually by the Executive Committee and depreciation will be provided for at the point in time when amortisation of cost is recognised as being required.



## 13. Other Tangible Fixed Assets

	Furniture & equipment:		Motor	
	Property	office	Vehicles	Total
	£	£	£	£
<b>Cost</b>				
At 1 April 2023	359,999	87,409	22,905	<b>470,313</b>
Additions	33,363	1,283	-	<b>34,646</b>
Disposals	(4,826)	-	-	<b>(4,826)</b>
At 31 March 2024	388,536	88,692	22,905	<b>500,133</b>
<b>Depreciation</b>				
At 1 April 2023	332,825	69,155	22,905	<b>424,885</b>
Charge for year	20,275	10,379	-	<b>30,654</b>
Disposals	(4,521)	-	-	<b>(4,521)</b>
At 31 March 2024	348,579	79,534	22,905	<b>451,018</b>
<b>Net book value:</b>				
<b>At 31 March 2024</b>	<b>39,957</b>	<b>9,158</b>	<b>-</b>	<b>49,115</b>
<i>At 31 March 2023</i>	<b>27,174</b>	<b>18,254</b>	<b>-</b>	<b>45,428</b>

The property and office furniture and equipment and the motor vehicles are all used wholly for charitable purposes.

## 14. Debtors

	2024	2023
	£	£
Residents' charges invoiced	<b>3,896</b>	5,441
Other debtors	<b>47,980</b>	33,096
Prepayments	<b>20,579</b>	37,746
	<b>72,455</b>	77,283

## 15. Creditors: amounts falling due within one year

		2024	2023
	Note	£	£
Bank loan repayable within one year	16	<b>45,375</b>	45,226
Trade & other creditors		<b>84,411</b>	78,643
Social Security and other taxes		<b>36,357</b>	52,998
Deferred income		<b>5,068</b>	4,373
Accruals		<b>46,258</b>	67,573
		<b>217,469</b>	248,813

## 16. Creditors: amounts falling due after more than one year

	2024	2023
	£	£
<b>Bank Loan repayable after more than 1 year:</b>	<b>839,902</b>	<b>873,605</b>

The bank loan is a non-residential mortgage agreement with the Charity's bankers Triodos Bank UK Ltd, for a total sum of £1,400,000, which was raised to part finance the purchase and construction of Pine Court, Carlton Road, Harpenden (see note 12). At the balance sheet date the loan is secured on the Charity's freehold property 'Stairways' and comprised approximately 35% of its estimated market value.

The loan is repayable in monthly instalments over 24 years commencing July 2012, with interest charged at base rate plus 2.25% with a minimum rate of 3.5%.

## 17. Analysis of Net Assets Between Funds

	Unrestricted Funds £	Restricted Fund £	Total Funds £
Tangible fixed assets	32,755	16,360	49,115
Investment properties	3,169,566	17,763	3,187,330
Current assets/liabilities	331,461	23,468	354,929
Long term liabilities	(839,902)	-	(839,902)
<b>Total net assets</b>	<b>2,693,880</b>	<b>57,592</b>	<b>2,751,472</b>

## 18. Movements In Funds

	1 April 2023	Income	Expenditure	Transfers	31 March 2024
<b>Unrestricted funds:</b>					
General fund	2,573,006	2,451,235	(2,468,077)	137,716	2,693,880
<b>Designated funds:</b>					
Building	101,289	-	-	(101,289)	-
Major Building Repairs	36,427	-	-	(36,427)	-
<b>Total unrestricted funds</b>	<b>2,710,722</b>	<b>2,451,235</b>	<b>(2,468,077)</b>	<b>-</b>	<b>2,693,880</b>
<b>Restricted funds:</b>					
Building	19,044	1,720	(1,000)	-	18,764
Employment Projects	33,414	-	(24,675)	-	8,739
Amenities	30,971	11,432	(12,314)	-	30,089
<b>Total restricted funds</b>	<b>83,429</b>	<b>13,152</b>	<b>(37,989)</b>	<b>-</b>	<b>57,592</b>
<b>Total Funds</b>	<b>2,794,151</b>	<b>2,464,387</b>	<b>(2,699,807)</b>	<b>-</b>	<b>2,751,472</b>



The description of the fund types is covered in the Accounting Policies (Note 1). The specific funds held by the charity are:

**General Fund:** The unrestricted and general fund is available for use in fulfilling the general objects of the charity.

At 31 March 2024 the general fund balance available was £2,693,880, of which £2,351,168 has been used to acquire functional fixed assets.

The remaining balance of £342,712 is available to be applied towards meeting the charity's currently assessed reserve requirement of at least £500,000. The Executive Committee continue to monitor both the reserves level requirement and the funds available in the current year.

The Trustees agreed to lift the designation of funds from previous years as part of the project to look afresh at the property and business model, making best use of the charity assets and funds.

**Restricted funds:**

- **Building Fund** donations and other monies received towards the upkeep and renewal of the buildings, as specified by the donors.
- **Employment project** grants received towards projects involving employment opportunities.
- **Amenities** donations towards items used to improve the lives of residents.

## 19. Other Commitments

As at 31 March 2024 the charity had no capital commitments (2023-£nil). However, there were financial commitments under non-cancellable operating leases and agreements as follows:

	Land and Buildings:		Other equipment and agreements	
	2024	2023	2024	2023
	£	£	£	£
Expiry date :				
less than 1 year	-	-	358	648
between one and five years	-	-	627	1,015
after more than five years	-	-	-	-

At 31 March 2024, the Charity had a building maintenance contract with a 6-month cancellation clause. The financial commitment under the terms of this contract at 31 March 2024 is £36,003 (2023 £36,003).

## 20. Post Balance Sheet Events

As noted in the Trustees report the Charity is in the process of closing its Stairways site and re-locating the residents to alternative accommodation.

This process is expected to be completed by April 2025. The Trustees are still in the process of evaluating the future options available for the soon-to-be vacant Stairways site.