

Company registration number: 02474506

Charity registration number: 1046081

Nottingham Mencap

(A company limited by guarantee)

Annual Report and Financial Statements

for the Year Ended 31 March 2021

Community Accounting Plus
Units 1 & 2 North West
41 Talbot Street
Nottingham
NG1 5GL

Nottingham Mencap

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Nottingham Mencap

Reference and Administrative Details

Trustees	Matt Sismey, Chair Paul Thomas, Treasurer Jennifer Shenton Lisa Sharples John Winter Rebecca Dewey Steven Waddingham Isobel Pike Pete Boddy John Jackson Kate Ball Lucy Greaves
Secretary	Paul Thomas
Senior Management Team	Mike Caston, Chief Executive Danny Hewis, Deputy Chief Executive Sophie Leach, Finance Officer
Principal Office	Harpenden House 203 Edwards Lane Edwards Lane Nottingham NG5 3JA
Company Registration Number	02474506
Charity Registration Number	1046081
Bankers	Lloyds Bank Parliament Street 12-16 Lower Parliament Street Nottingham NG1 3DA
Independent Examiner	John O'Brien, employee of Community Accounting Plus Units 1 & 2 North West 41 Talbot Street Nottingham NG1 5GL

Nottingham Mencap

Trustees' Report

The trustees, who are directors for the purposes of company law, present the annual report together with the financial statements of the charitable company for the year ended 31 March 2021.

Trustees

Matt Sismey, Chair

Paul Thomas, Treasurer

Jennifer Shenton

Lisa Sharples

John Winter

Rebecca Dewey

Steven Waddingham

Isobel Pike

Pete Boddy

John Jackson

Kate Ball (appointed 25 January 2021)

Lucy Greaves (appointed 25 January 2021)

Message from the Chair

At the very start of this financial year, we entered a very uncertain time with the beginning of Covid-19 and the resulting lockdown. This has had a huge impact on the organisation and our service users. I want to take this opportunity to thank all our employees and volunteers who have worked so hard to keep Nottingham Mencap going during these difficult times. I also want to pay tribute to those staff who left us during the inevitable restructuring due to the temporary closure of our day services and our reduced activity across the year. I also want to thank our service users and their families for their support and understanding during such difficult times. Both our City and County commissioners have worked collaboratively with us to ensure the Charity could remain open and financially viable throughout the year. Their support has been invaluable.

Structure, governance and management

Nature of governing document

The charity is a company limited by guarantee and registered charity. It is operated under the rules of its memorandum and articles of association dated 27/02/1990 and most recently amended 27/06/2013. It has no share capital and the liability of each member in the event of winding-up is limited to £1.

Nottingham Mencap

Trustees' Report

Recruitment and appointment of trustees

The Council of Management is appointed by the charity members and serve for no set period and retire in rotation. The Articles provide for a maximum of sixteen members, including Honorary Members. At the end of each Annual General Meeting all the members of the Council of Management whose period of service is due to end during the calendar year in which that Annual General Meeting is to be held, shall retire from office but they may be re-elected or re-appointed.

The chair of the Council of Management is nominated by the Council of Management and elected by the membership.

The Council of Management may delegate any of its powers or the implementation of its resolutions to committees to facilitate effective operations.

Induction and training of trustees

New members of the Council of Management should undergo an induction to brief them on their legal responsibilities under charity and company law, the content of the Memorandum and Articles of Association, the committee and decision making processes, and recent financial performance of the charity. During the induction they meet key employees and other members of the Council of Management. Members are encouraged to undertake appropriate training where these will facilitate the undertaking of their role and improve the governance of the Charity.

Organisational structure

The Council of Management holds at least four quarterly ordinary meetings each year at which its members agree strategy and areas of activity for the charity including consideration of service delivery, investment, reserves and risk management policies.

The charity Trustees work in partnership with and oversee the work of the Chief Executive and his Deputy who are responsible for ensuring that the charity performs as directed by the Trustees. The special circumstances brought about by Covid-19 meant that our meetings this year were held via Zoom and were restricted to 3 during the period.

At the beginning of the year, we employed 2 full time and 23 part time staff. At the end of the year, we employed 2 full time and 13 part time staff working a total of 373 hrs. per week (10 wte). In addition, 24 Zero-Hours contract workers were employed throughout the year working 8197 hours (5.5wte), compared to 13,500 hrs. in 2019-20. During this year we had the benefit of LSC tutors paid by Inspire who therefore do not appear in our staff numbers. The charity remains grateful for the unstinting efforts of the 25 active volunteers who are involved in all aspects of Nottingham Mencap, adding greatly to the work that the charity can do

Nottingham Mencap

Trustees' Report

Objectives and activities

Objects and aims

Nottingham Mencap aims to enhance the quality of life of all those with a learning disability and their carers' within the Greater Nottingham area. The Charity is committed to delivering comprehensive and person-centred support and to improving choice and inclusion into our communities.

We will achieve this by working collaboratively and in partnership with others to provide information and advice, services and support, campaigns, friendship and fun.

In order to meet the objectives we:

- Work strategically, complementarily and collaboratively with others rather than independently and alone, in order to best achieve our mission;
- Leverage the strengths of Royal Mencap and our local history, utilising the expertise, networks and opportunities;
- Develop a focused range of high quality sustainable services that capitalise on our strengths and make a significant impact on the quality of life for individuals with a Learning Disability and their families;
- Build public awareness about Nottingham Mencap and the services, products, campaigns and involvement opportunities that we provide and increase peoples' use of all that we offer. Ensure we expand our membership and strengthen our Council of Management;
- Develop and pursue a balanced long term income and fundraising strategy that supports the sustainable growth and independence of Nottingham Mencap;
- Continue to develop the organisation's effectiveness, quality, efficiency, culture, capacity and competitiveness, and the skill and capability of its staff and volunteers;
- Retain a flexible approach, with a continuous improvement and learning culture, so that Nottingham Mencap can adapt and respond successfully to a constantly changing external environment and to new opportunities;
- Endeavour to run our services from buildings that are fit for current purpose and adaptable to allow us to meet future need.

Activity during the period

The backdrop of Covid19 pandemic continues to greatly influence this report. Until the impact of Covid-19 we were planning to continue our gradual expansion and push forward plans to move to Edwards Lane Community Centre. Having built up reserves to fulfill these plans we were very fortunate that our healthy reserves position ensured we can continue to invest in a new property and weather the uncertainty of this financial year and beyond.

As a result of the pandemic, our plans for expansion were thwarted by the closure of services and the legal limitations placed on us in relation to engagement with both group and individual support.

Our day opportunities, children's groups and Getaway all closed in the last week of March 2020 in line with our obligations to reduce the spread of the Covid-19. Much of our community-based support was also curtailed leaving us supporting several of the most vulnerable individuals and picking up emergency referrals of individuals impacted by Covid-19. We entered this reporting year therefore with most of our services closed and a very uncertain future.

Nottingham Mencap

Trustees' Report

As planned in last year's report, due to the potentially long-lasting effects of the pandemic, we reduced management, tutor, and support roles. This was achieved through not replacing those who left, voluntary and statutory redundancy processes. In all, 10 staff left their posts, 7 through voluntary or statutory redundancy. Many of these staff had been with us for very long periods of time and we would like to express our thanks to them for all they have contributed to our Charity and for their professionalism during what was a difficult process, in very challenging times.

The negotiations in relation to Edwards Lane continued during the period, but in Septemebr 2021 the decision was made not to proceed with this development.

We were the first organisation across Nottinghamshire (and the whole of the Royal Mencap network) to re-open our buildings-based day services in June, albeit with reduced capacity. We shared our groundwork and risk assessments with all Commissioners to ensure they were supportive of our approach. This provided much needed support to a smaller number of individuals and their carers' at a time when they needed it the most. We regularly evaluated our risk assessments in line with changing guidance and legal stipulations. Our staff were fully vaccinated at the earliest opportunity and tested on a weekly basis and received supplies of PPE to ensure we kept staff and service users as safe as possible. This was a stressful time for our staff, and they displayed great resilience and dedication in keeping our services running.

This has meant we have ended the year with all services open and beginning to build up capacity, expanding activities where we are able to in line with Covid restrictions.

Our Council of Management remains strong. We continue to possess an excellent balance of skills, knowledge, and experience across the body of trustees enabling sound oversight of the management of the charity. The CoM and the Staff group remain cohesive and mutually supportive. Working together, we continue to improve areas of governance including updating our financial processes.

Throughout 2020-21 The Council of Management have continued to support the management team, including the negotiations for the acquisition of a new building plus a range of strategic issues. We have approved a balanced annual budget for 2021-22. Ellis Whittam remain our nominated Health and Safety Representatives and employment law consultants who continue to provide external scrutiny and support with our health and safety and employment practices.

Public benefit

The trustees confirm that they have complied with the requirements of section 17 of the Charities Act 2011 to have due regard to the public benefit guidance published by the Charity Commission for England and Wales.

Nottingham Mencap

Trustees' Report

Principal risks and uncertainties

Risk management and internal controls

As members of the Council of Management we have an overall responsibility for ensuring that the charity has appropriate system of controls, financial and otherwise. We are also responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the charity and enable us to ensure that the financial statements comply with the Companies Act 2006. We 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 and to provide reasonable assurance that:

- the charity is operating efficiently and effectively;
- its assets are safeguarded against unauthorised use or disposition;
- proper records are maintained and financial information used within the charity or for publication is reliable;
- the charity complies with relevant laws and regulations.

The systems of internal control are designed to provide reasonable, but not absolute, assurance against material mis-statement or loss. They include:

- the development of a strategic plan and an annual budget approved by Trustees;
- regular consideration by the Trustees of the financial results, variance from budgets, non-financial performance indicators and benchmarking reviews;
- delegation of authority and segregation of duties;
- identification and management of risks and external scrutiny.

Financial review

The early decision to reduce staffing levels ensured our financial position has remained stable and our staffing/service user ratio remains viable and flexible to meet our required needs. For different services and areas of the Charity we negotiated different support packages, either from local commissioners or central government. Income received from HMRC via the Job Retention Scheme was carefully scrutinised and is categorised in our accounts as unrestricted grant income in line with recognised accounting practice. We also declined the offer of all local covid related support grants in relation to additional expenses incurred due to covid-19 throughout the period.

As a result of the above measures and sound financial management we ended the year with a surplus of £90,057. This was despite a loss in the running of our charitable services due to the pandemic and was a result of the sensitive management of creditors and debtors plus investment in IT. As we no longer receive any external support in relation to covid this will strengthen our financial position as we gradually open services to full capacity over the coming months. The Board have decided not to proceed with the purchase and refurbishment of the Edwards Lane site and the search for more suitable premises continues.

Policy on reserves

To ensure that all reserves accumulated will be used to meet the following objectives:

- To resource the central core functions of the organisation. This includes management, administration and building running costs;
- To assist in piloting new and innovative areas of work that will not attract main stream funding and support current services that suffer loss or reduced income streams;
- Provision of public benefit.

The Reserves Policy is to be reviewed during the next period to ensure it meets our needs going forward.

Nottingham Mencap

Trustees' Report

Plans for future periods

Aims and key objectives for future periods

Overall, we plan to deliver growth in services that help improve the health, wellbeing, independence, and quality of life for individuals with a Learning Disability/Autism along with their families across Nottinghamshire. We will pursue the key strategies contained on page 3 of this report.

We will do this in the light of the impending Covid-19 pandemic which will impact significantly upon our ability to grow our services. We will change the delivery model of many of our services and adapt our approaches to ensure we can continue to provide accessible support.

This and the next 2 years, will be one of the most challenging periods the charity has faced. A combination of Covid-19 restrictions, emerging new commissioning intentions and a move to new premises requires strong and forward-thinking leadership and management. With a solid financial position, negotiations well under way for a new building and a new management structure we have the building blocks for a successful future. We believe all the hard work and dedication by our staff during this time of change enables us to face the uncertain economic and financial future more resilient and able to deliver better services.

Securing new premises has taken much longer than we had hoped, and this has caused many frustrations. The challenge of securing the new premises, ensuring it is fit for a post Covid19 future and transferring our students to the new building will need great care and attention to detail. We need to maintain a solid grasp of the financial costs associated with the move to ensure we maintain the future stability of our charity

We aim to re-open our services to maximum capacity as quickly as possible, develop new ways of working and secure new income streams to replace the inevitable loss of income due to Covid-19. Securing the new base is our top priority this coming year to enable us to plan the next 5 years with certainty. We will ensure that the plans for the new building incorporate our learning from the Covid-19 pandemic.

During 2021-22 we are excited to be Nottinghamshire County Council's chosen provider of digital support to those with a disability who are most excluded across Nottinghamshire. We will be also run 2 similar projects which combined will support a minimum of 270 individuals with disabilities. Through these projects we will supply free digital technology, support, and training to help improve their lives and connectivity within their communities.

During the next five years we will rigorously monitor our financial position and the outlook. We will be proactive and responsive to ensure we remain solvent and able to address emerging threats and opportunities. In response to Covid-19 we require a smaller and more flexible workforce supported by a strong but small management team. By the end of 2021 we anticipate a gradual upturn in activity as the effects of the pandemic recede.

Nottingham Mencap

Trustees' Report

We look forward with optimism to emerging from the Covid-19 restrictions and securing Edwards Lane Community Centre. We cannot underestimate the huge challenge that Covid-19 has placed on all social care providers, the implications of which will become clearer as we move forward. We are confident that Nottingham Mencap will rise to the challenge by proactively enabling our services to be delivered in different ways. Strong signals from commissioners regarding reduced commissioning intentions will be offset by seeking and securing new funding streams.

Changes to our services will be made in consultation with our service users/students and their families who will also have a large input into our plans and the use of our building as we evolve. By 2022 we aim to have incrementally grown our 'day opportunities' and our short breaks service and found sustainable sources of alternative funding for a number of other projects. We plan to explore the provision of new services for children across the County where there are gaps in provision. We will seek funding to commence new services and trial new ways of working to ensure we continually improve the standard and choice. By continuing to listen to service users, their families, and our staff we try to improve what we do well, change what we do badly and learn from our mistakes.

The pandemic has delayed our intentions to formalise our relationship with the Gettaway Management Team. This fabulous group of unpaid volunteers ensured, until the closure due to the Covid-19, that Tuesday and Wednesday nights remain a social highlight in so many people's diaries.

We look forward to the re-opening of Gettaway alongside a strengthened relationship between the Gettaway management team and that of Nottingham Mencap.

Nottingham Mencap

Trustees' Report

Thankyou

Nottingham Mencap is extremely grateful for the vital and welcome support it receives. We would like to pay special tribute to Peter Ball who sadly passed away on the 13th May 2020. Apart from being a lovely chap, Peter and his wife Kate raised a significant amount of money towards our plans to renovate our new building for which we are most grateful.

In addition, we would like to thank the following for their contributions to our work during the year ended 31 March 2021:

Nottingham Mencap members Nottingham Mencap students Nottingham Mencap volunteers

Royal Mencap

Mike Tuck

Adam Youatt (Gateley PLC)

Rayner Davies Architects

Jessie Spencer Trust

Nottingham City Council Nottinghamshire County Council

Paddy Tipping - Police and Crime Commissioner Community Accounting Plus

J Greenwood

G Brown

Helen Nowell

M Hemsley

H Stanley

A Lambley

H Stanley

K. Birch

Brenda Smith (deceased)

Rothera Family Trust

Children in Need

This list is in no way exhaustive, and the Society is also extremely grateful for the support of numerous individuals during this period.

Nottingham Mencap

Trustees' Report

Statement of Trustees' Responsibilities

The trustees (who are also the directors of Nottingham Mencap for the purposes of company law) are responsible for preparing the trustees' report and the financial statements in accordance with the United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) and applicable law and regulations.

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 its incoming resources and application of resources, including its income and expenditure, for that period. In preparing these financial statements, the trustees are required to:

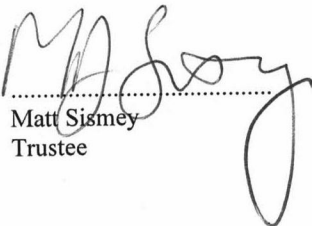
- select suitable accounting policies and apply them consistently;
- observe the methods and principles in the Charities SORP;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed 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 business.

The trustees are responsible for keeping adequate accounting records that are sufficient to show and explain the charitable company's transactions and 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.

Small companies provision statement

This report has been prepared in accordance with the small companies regime under the Companies Act 2006.

The annual report was approved by the trustees of the charity on 28/9/21 and signed on its behalf by:



.....
Matt Sismey
Trustee

Nottingham Mencap

Independent Examiner's Report to the trustees of Nottingham Mencap

Independent examiner's report to the trustees of Nottingham Mencap ('the Company')

I report to the charity trustees on my examination of the accounts of the company for the year ended 31 March 2021.

Responsibilities and basis of report

As the charity's trustees of the company (and also its directors for the purposes of company law) you are responsible for the preparation of the accounts in accordance with the requirements of the Companies Act 2006 ('the 2006 Act').

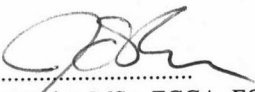
Having satisfied myself that the accounts of the Company are not required to be audited under Part 16 of the 2006 Act and are eligible for independent examination, I report in respect of my examination of your charity's accounts as carried out under section 145 of the Charities Act 2011 ('the 2011 Act'). In carrying out my examination I have followed the directions given by the Charity Commission under section 145(5) (b) of the 2011 Act.

Independent examiner's statement

Since the Company's gross income exceeded £250,000 your examiner must be a member of a body listed in section 145 of the 2011 Act. I confirm that I am qualified to undertake the examination because I am a member and Fellow of the Association of Charity Independent Examiners, which is one of the listed bodies. I have completed my examination. I confirm that no matters have come to my attention in connection with the examination giving me cause to believe that in any material respect:

1. accounting records were not kept in respect of the Company as required by section 386 of the 2006 Act; or
2. the accounts do not accord with those records; or
3. the accounts do not comply with the accounting requirements of section 396 of the 2006 Act other than any requirement that the accounts give a 'true and fair' view which is not a matter considered as part of an independent examination; or
4. the accounts have not been prepared in accordance with the methods and principles of the Statement of Recommended Practice for accounting and reporting by charities [applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102)].

I have no concerns and have come across no other matters in connection with the examination to which attention should be drawn in this report in order to enable a proper understanding of the accounts to be reached.


John O'Brien MSc, FCCA, FCIE, employee of Community Accounting Plus
Fellow of the Association of Charity Independent Examiners

Units 1 & 2 North West
41 Talbot Street
Nottingham
NG1 5GL

Date: 30/9/21

Nottingham Mencap

Statement of Financial Activities for the Year Ended 31 March 2021 (Including Income and Expenditure Account and Statement of Total Recognised Gains and Losses)

	Note	Unrestricted funds £	Restricted funds £	Total 2021 £	Total 2020 £
Income and Endowments from:					
Donations and legacies	2	120,401	-	120,401	16,654
Charitable activities	3	463,333	36,759	500,092	601,353
Investment income	5	6,964	-	6,964	9,306
Total Income		<u>590,698</u>	<u>36,759</u>	<u>627,457</u>	<u>627,313</u>
Expenditure on:					
Charitable activities	6	<u>(522,081)</u>	<u>(33,924)</u>	<u>(556,005)</u>	<u>(559,095)</u>
Total Expenditure		<u>(522,081)</u>	<u>(33,924)</u>	<u>(556,005)</u>	<u>(559,095)</u>
Net income		<u>68,617</u>	<u>2,835</u>	<u>71,452</u>	<u>68,218</u>
Net movement in funds		68,617	2,835	71,452	68,218
Reconciliation of funds					
Total funds brought forward		<u>907,677</u>	<u>50,327</u>	<u>958,004</u>	<u>889,786</u>
Total funds carried forward	17	<u>976,294</u>	<u>53,162</u>	<u>1,029,456</u>	<u>958,004</u>

All of the charity's activities derive from continuing operations during the above two periods.

The funds breakdown for the period is shown in note 17.

Nottingham Mencap

Statement of Financial Activities for the Year Ended 31 March 2021 (Including Income and Expenditure Account and Statement of Total Recognised Gains and Losses)

These are the figures for the previous accounting period and are included for comparative purposes

	Note	Unrestricted funds £	Restricted funds £	Total 2020 £
Income and Endowments from:				
Donations and legacies	2	16,654	-	16,654
Charitable activities	3	518,115	83,238	601,353
Investment income	5	9,306	-	9,306
Total income		<u>544,075</u>	<u>83,238</u>	<u>627,313</u>
Expenditure on:				
Charitable activities	6	<u>(521,184)</u>	<u>(37,911)</u>	<u>(559,095)</u>
Total expenditure		<u>(521,184)</u>	<u>(37,911)</u>	<u>(559,095)</u>
Net income		<u>22,891</u>	<u>45,327</u>	<u>68,218</u>
Net movement in funds		22,891	45,327	68,218
Reconciliation of funds				
Total funds brought forward		<u>884,786</u>	<u>5,000</u>	<u>889,786</u>
Total funds carried forward	17	<u><u>907,677</u></u>	<u><u>50,327</u></u>	<u><u>958,004</u></u>

Nottingham Mencap

(Registration number: 02474506)
Balance Sheet as at 31 March 2021

	Note	2021 £	2020 £
Fixed assets			
Tangible assets	12	27,084	9,265
Current assets			
Debtors	13	19,729	28,979
Cash at bank and in hand	14	<u>1,026,021</u>	<u>956,405</u>
		1,045,750	985,384
Creditors: Amounts falling due within one year	15	<u>(24,773)</u>	<u>(36,645)</u>
Net current assets		<u>1,020,977</u>	<u>948,739</u>
Net assets		<u><u>1,048,061</u></u>	<u><u>958,004</u></u>
Funds of the charity:			
Restricted income funds			
Restricted funds	17	53,162	50,327
Unrestricted income funds			
Unrestricted funds		<u>994,899</u>	<u>907,677</u>
Total funds	17	<u><u>1,048,061</u></u>	<u><u>958,004</u></u>

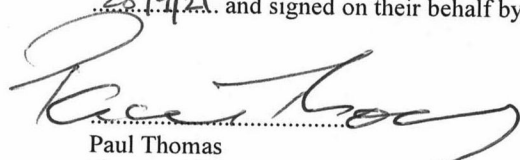
For the financial year ending 31 March 2021 the charity was entitled to exemption from audit under section 477 of the Companies Act 2006 relating to small companies.

Directors' responsibilities:

- The members have not required the charity to obtain an audit of its accounts for the year in question in accordance with section 476; and
- The directors acknowledge their responsibilities for complying with the requirements of the Act with respect to accounting records and the preparation of accounts.

These accounts have been prepared in accordance with the provisions applicable to companies subject to the small companies regime.

The financial statements on pages 12 to 27 were approved by the trustees, and authorised for issue on 28/9/21 and signed on their behalf by:


Paul Thomas
Company Secretary and Trustee

Nottingham Mencap

Statement of Cash Flows for the Year Ended 31 March 2021

	Note	2021 £	2020 £
Cash flows from operating activities			
Net cash income		71,452	68,218
Fixed assets			
Depreciation		4,291	2,005
Investment income	5	<u>(6,964)</u>	<u>(9,306)</u>
		68,779	60,917
Working capital adjustments			
Decrease in debtors	13	9,250	15,499
(Decrease)/increase in creditors	15	<u>(11,872)</u>	<u>7,854</u>
Net cash flows from operating activities		<u>66,157</u>	<u>84,270</u>
Cash flows from investing activities			
Interest receivable and similar income	5	6,964	9,306
Purchase of tangible fixed assets	12	(11,869)	(9,143)
Sale of tangible fixed assets		<u>8,364</u>	<u>-</u>
Net cash flows from investing activities		<u>3,459</u>	<u>163</u>
Net increase in cash and cash equivalents		69,616	84,433
Cash and cash equivalents at 1 April		<u>956,405</u>	<u>871,972</u>
Cash and cash equivalents at 31 March		<u><u>1,026,021</u></u>	<u><u>956,405</u></u>
Reconciliation of net cash flow to movement in net funds			
Increase in cash		69,616	84,433
Net funds at 1 April 2020		<u>956,405</u>	<u>871,972</u>
Net funds at 31 March 2021		<u><u>1,026,021</u></u>	<u><u>956,405</u></u>

All of the cash flows are derived from continuing operations during the above two periods.

Nottingham Mencap

Notes to the Financial Statements for the Year Ended 31 March 2021

1 Accounting policies

Summary of significant accounting policies and key accounting estimates

The principal accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

Statement of compliance

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 (FRS 102) (effective 1 January 2015) - (Charities SORP (FRS 102)), the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102). They also comply with the Companies Act 2006 and Charities Act 2011.

Basis of preparation

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

Going concern

The financial statements have been prepared on a going concern basis.

The trustees assess whether the use of going concern is appropriate i.e. whether there are any material uncertainties related to events or conditions that may cast significant doubt on the ability of the charity to continue as a going concern. The trustees make this assessment in respect of a period of one year from the date of approval of the financial statements.

Income and endowments

Voluntary income including donations, gifts, legacies and grants that provide core funding or are of a general nature is recognised when the charity has entitlement to the income, it is probable that the income will be received and the amount can be measured with sufficient reliability.

Donations and legacies

Donations are recognised when the charity has been notified in writing of both the amount and settlement date. In the event that a donation is subject to conditions that require a level of performance by the charity before the charity is entitled to the funds, the income is deferred and not recognised until either those conditions are fully met, or the fulfilment of those conditions is wholly within the control of the charity and it is probable that these conditions will be fulfilled in the reporting period.

Grants receivable

Grants are recognised when the charity has an entitlement to the funds and any conditions linked to the grants have been met. Where performance conditions are attached to the grant and are yet to be met, the income is recognised as a liability and included on the balance sheet as deferred income to be released.

Nottingham Mencap

Notes to the Financial Statements for the Year Ended 31 March 2021

Expenditure

All expenditure is recognised once there is a legal or constructive obligation to that expenditure, it is probable settlement is required and the amount can be measured reliably. All costs are allocated to the applicable expenditure heading that aggregate similar costs to that category. Where costs cannot be directly attributed to particular headings they have been allocated on a basis consistent with the use of resources, with central staff costs allocated on the basis of time spent, and depreciation charges allocated on the portion of the asset's use. Other support costs are allocated based on the spread of staff costs.

Charitable activities

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.

Government grants

Government grants are recognised based on the accrual model and are measured at the fair value of the asset received or receivable. Grants are classified as relating either to revenue or to assets. Grants relating to revenue are recognised in income over the period in which the related costs are recognised. Grants relating to assets are recognised over the expected useful life of the asset. Where part of a grant relating to an asset is deferred, it is recognised as deferred income.

Taxation

The charity is considered to pass the tests set out in Paragraph 1 Schedule 6 of the Finance Act 2010 and therefore it meets the definition of a charitable company for UK corporation tax purposes. Accordingly, the charity is potentially exempt from taxation in respect of income or capital gains received within categories covered by Chapter 3 Part 11 of the Corporation Tax Act 2010 or Section 256 of the Taxation of Chargeable Gains Act 1992, to the extent that such income or gains are applied exclusively to charitable purposes.

Tangible fixed assets

Individual fixed assets costing £500.00 or more are initially recorded at cost, less any subsequent accumulated depreciation and subsequent accumulated impairment losses.

The Charity is negotiating the purchase and development of new premises. Associated expenditure on professional fees has been capitalised and will be depreciated once the building is purchased.

Depreciation and amortisation

Depreciation is provided on tangible fixed assets so as to write off the cost or valuation, less any estimated residual value, over their expected useful economic life as follows:

Asset class	Depreciation method and rate
Leasehold land & buildings	straight line over the life of the lease
Furniture & equipment	20% straight line
Computer equipment	33% straight line

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Notes to the Financial Statements for the Year Ended 31 March 2021

Trade debtors

Trade debtors are amounts due from customers for merchandise sold or services performed in the ordinary course of business.

Trade debtors are recognised initially at the transaction price. They are subsequently measured at amortised cost using the effective interest method, less provision for impairment. A provision for the impairment of trade debtors is established when there is objective evidence that the charity will not be able to collect all amounts due according to the original terms of the receivables.

Cash and cash equivalents

Cash and cash equivalents comprise cash on hand and call deposits, and other short-term highly liquid investments that are readily convertible to a known amount of cash and are subject to an insignificant risk of change in value.

Trade creditors

Trade creditors are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Accounts payable are classified as current liabilities if the charity does not have an unconditional right, at the end of the reporting period, to defer settlement of the creditor for at least twelve months after the reporting date. If there is an unconditional right to defer settlement for at least twelve months after the reporting date, they are presented as non-current liabilities.

Trade creditors are recognised initially at the transaction price and subsequently measured at amortised cost using the effective interest method.

Fund structure

Unrestricted income funds are general funds that are available for use at the trustees' discretion in furtherance of the objectives of the charity.

Restricted income funds are those grants for use in a particular area or for specific purposes, the use of which is restricted to that area or purpose.

Pensions and other post retirement obligations

The charity operates a defined contribution pension scheme for employees. The assets of the scheme are held separately from those of the charity. Pension costs charges in the Statement of Financial Activities represent the contributions payable by the charity during the year.

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Notes to the Financial Statements for the Year Ended 31 March 2021

2 Income from donations and legacies

	Unrestricted funds		
	General £	Total 2021 £	Total 2020 £
Donations and legacies;			
Donations from companies, trusts and similar proceeds	8,358	8,358	13,904
Grants, including capital grants;			
Government grants	109,343	109,343	-
Grants from other charities	2,700	2,700	2,750
	<u>120,401</u>	<u>120,401</u>	<u>16,654</u>

3 Income from charitable activities

	Unrestricted funds			
	General	Restricted funds	Total 2021	Total 2020
	£	£	£	£
Fees	462,306	-	462,306	500,395
Grants	-	36,759	36,759	38,999
Subscriptions	-	-	-	15,953
Sundry income	1,027	-	1,027	1,767
Donations	-	-	-	44,239
	<u>463,333</u>	<u>36,759</u>	<u>500,092</u>	<u>601,353</u>

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Notes to the Financial Statements for the Year Ended 31 March 2021

4 Grants & donations

	Unrestricted funds £	Restricted funds £	Total £
BBC Children in Need	-	9,999	9,999
Notts Police & Crime Commissioner	-	6,860	6,860
Nottinghamshire County Council	-	12,000	12,000
The Jesse Spencer Trust	-	5,000	5,000
HMRC (JRS)	109,343	-	109,343
Royal Mencap	2,000	-	2,000
Anon	-	2,900	2,900
Sundry donations	5,608	-	5,608
The Fifty Fund	2,750	-	2,750
Let's Go Digital	700	-	700
	<u>120,401</u>	<u>36,759</u>	<u>157,160</u>

HMRC (JRS) represents grants claimed under the Government's Job Retention Scheme.

5 Investment income

	Unrestricted funds General £	Total 2021 £	Total 2020 £
Interest receivable and similar income;			
Interest receivable on bank deposits	<u>6,964</u>	<u>6,964</u>	<u>9,306</u>

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Notes to the Financial Statements for the Year Ended 31 March 2021

6 Expenditure on charitable activities

	Unrestricted funds		Restricted funds	Total 2021	Total 2020
	Designated £	General £	£	£	£
Activities & materials	-	1,843	774	2,617	7,892
Bank charges	-	684	-	684	633
Catering	-	930	536	1,466	6,852
Cleaning & hygiene	-	3,029	-	3,029	3,334
Communications	-	5,718	-	5,718	12,364
Depreciation	-	4,291	-	4,291	2,005
Equipment	-	1,239	-	1,239	2,610
Getaway expenses	761	-	-	761	13,642
Insurance	-	4,447	-	4,447	3,074
Legal & professional fees	-	26,120	-	26,120	9,556
Sundry expenses	-	1,326	52	1,378	2,575
Printing & copying	-	215	-	215	659
Repairs & maintenance	-	5,239	-	5,239	3,626
Staff training	-	1,619	-	1,619	1,914
Staff travel	-	319	-	319	1,604
Stationery & office supplies	-	2,342	-	2,342	2,202
Subscriptions & licenses	-	658	-	658	1,286
Utilities	-	9,808	-	9,808	9,898
Volunteer expenses	-	-	-	-	193
Wages, NIC & pensions	-	451,493	32,562	484,055	473,176
	<u>761</u>	<u>521,320</u>	<u>33,924</u>	<u>556,005</u>	<u>559,095</u>

7 Net incoming/outgoing resources

Net incoming resources for the year include:

	2021 £	2020 £
Depreciation of fixed assets	<u>4,291</u>	<u>2,005</u>

8 Trustees remuneration and expenses

During the year the charity made the following transactions with trustees:

Isobel Pike

Isobel Pike received remuneration of £984 (2020: £2,695) during the year.

Nottingham Mencap

Notes to the Financial Statements for the Year Ended 31 March 2021

9 Fees payable to independent examiner

During the period, the fees payable (excluding VAT) to the charity's independent examiner Community Accounting Plus are analysed as follows:

	2021 £	2020 £
Independent examination	1,650	1,650
Other financial services	156	230
	<u>1,806</u>	<u>1,880</u>

10 Staff costs

The aggregate payroll costs were as follows:

	2021 £	2020 £
Staff costs during the year were:		
Wages and salaries	441,364	439,680
Social security costs	25,955	17,598
Pension costs	<u>16,736</u>	<u>15,898</u>
	<u>484,055</u>	<u>473,176</u>

The monthly average number of persons (including senior management team) employed by the charity during the year was as follows:

	2021 No	2020 No
Number of employees (including those on zero hours contracts)	<u>42</u>	<u>48</u>

16 (2020 - 20) of the above employees participated in the Defined Contribution Pension Schemes.

Contributions to the employee pension schemes for the year totalled £16,737 (2020 - £15,898).

During the year, the charity made redundancy and/or termination payments which totalled £26,087 (2020 - £Nil).

During the period, as a direct consequence of the Coronavirus outbreak, 7 posts were made redundant.

No employee received emoluments of more than £60,000 during the year.

The total employee benefits of the key management personnel of the charity were £97,121 (2020 - £87,903).

Nottingham Mencap

Notes to the Financial Statements for the Year Ended 31 March 2021

11 Taxation

The charity is a registered charity and is therefore exempt from taxation.

12 Tangible fixed assets

	Leasehold land & buildings £	Furniture and equipment £	Computer equipment £	Total £
Cost				
At 1 April 2020	48,465	34,518	4,062	87,045
Additions	-	870	10,999	11,869
Disposals	(8,364)	-	-	(8,364)
At 31 March 2021	<u>40,101</u>	<u>35,388</u>	<u>15,061</u>	<u>90,550</u>
Depreciation				
At 1 April 2020	40,101	34,137	3,542	77,780
Charge for the year	-	364	3,927	4,291
At 31 March 2021	<u>40,101</u>	<u>34,501</u>	<u>7,469</u>	<u>82,071</u>
Net book value				
At 31 March 2021	<u>-</u>	<u>887</u>	<u>7,592</u>	<u>8,479</u>
At 31 March 2020	<u>8,364</u>	<u>381</u>	<u>520</u>	<u>9,265</u>

During the last accounting period the charity incurred £8,364 in professional fees relating to the development of new premises to be acquired in 2021. No depreciation was charged. In September 2021 the decision was taken not to proceed with this development. The expenditure has been written off to professional fees in this period.

13 Debtors

	2021 £	2020 £
Trade debtors	17,335	27,529
Prepayments	2,139	1,450
Other debtors	255	-
	<u>19,729</u>	<u>28,979</u>

14 Cash and cash equivalents

	2021 £	2020 £
Cash on hand	323	328
Cash at bank	<u>1,025,698</u>	<u>956,077</u>
	<u>1,026,021</u>	<u>956,405</u>

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Notes to the Financial Statements for the Year Ended 31 March 2021

15 Creditors: amounts falling due within one year

	2021 £	2020 £
Trade creditors	1,239	4,653
Other taxation and social security	6,616	6,964
Other creditors	16,918	25,028
	<u>24,773</u>	<u>36,645</u>

16 Charity status

The charity is a company limited by guarantee and consequently does not have share capital. Each of the trustees is liable to contribute an amount not exceeding £1 towards the assets of the charity in the event of liquidation.

17 Funds

	Balance at 1 April 2020 £	Incoming resources £	Resources expended £	Transfers £	Balance at 31 March 2021 £
Unrestricted funds					
<i>General</i>					
General fund	322,423	590,698	(521,320)	(87,983)	303,818
<i>Designated</i>					
Gettaway Club	15,808	-	(761)	(1,278)	13,769
Building fund	569,446	-	-	89,261	658,707
	<u>585,254</u>	<u>-</u>	<u>(761)</u>	<u>87,983</u>	<u>672,476</u>
Total Unrestricted funds	<u>907,677</u>	<u>590,698</u>	<u>(522,081)</u>	<u>-</u>	<u>976,294</u>
Restricted funds					
Smile Stop Hate Crime	4,048	18,860	(18,925)	-	3,983
Gener8	5,000	5,000	(5,000)	-	5,000
M8's	-	12,899	(9,999)	-	2,900
Building fund R	41,279	-	-	-	41,279
Total restricted funds	<u>50,327</u>	<u>36,759</u>	<u>(33,924)</u>	<u>-</u>	<u>53,162</u>
Total funds	<u>958,004</u>	<u>627,457</u>	<u>(556,005)</u>	<u>-</u>	<u>1,029,456</u>

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Notes to the Financial Statements for the Year Ended 31 March 2021

	Balance at 1 April 2019 £	Incoming resources £	Resources expended £	Balance at 31 March 2020 £
Unrestricted funds				
<i>General</i>				
General fund	308,350	516,030	(501,957)	322,423
<i>Designated</i>				
Gettaway Club	16,663	12,821	(13,676)	15,808
Building fund	559,773	15,224	(5,551)	569,446
	<u>576,436</u>	<u>28,045</u>	<u>(19,227)</u>	<u>585,254</u>
Total unrestricted funds	<u>884,786</u>	<u>544,075</u>	<u>(521,184)</u>	<u>907,677</u>
Restricted funds				
Smile Stop Hate Crime	-	24,000	(19,952)	4,048
Gener8	5,000	5,000	(5,000)	5,000
M8's	-	12,959	(12,959)	-
Building fund R	-	41,279	-	41,279
	<u>5,000</u>	<u>83,238</u>	<u>(37,911)</u>	<u>50,327</u>
Total restricted funds	<u>5,000</u>	<u>83,238</u>	<u>(37,911)</u>	<u>50,327</u>
Total funds	<u>889,786</u>	<u>627,313</u>	<u>(559,095)</u>	<u>958,004</u>

The specific purposes for which the funds are to be applied are as follows:

The Gettaway Club Fund. Gettaway's funds are raised through member subscriptions and donations to enable the Volunteer led club to offer leisure opportunities for individuals with a learning disability.

The Smile Stop Hate Crime Project is funded by Nottingham City Council and the Police and Crime Commissioner to tackle and raise awareness of Learning Disability Hate Crime. The project works in partnership with Nottinghamshire police and the community to raise awareness of hate crime against people with learning disabilities and promotes the reporting of disability hate crime. The project promotes anti-bullying awareness in schools and day centres. It delivers training, and facilitates groups to take a more proactive role against Hate Crime. (Incorporates Safe Places).

A designated 'New Building Fund' has been created to secure and protect the necessary capital to deliver our objective of consolidating our services within a fit for purpose building on a single site. It has been created from the sale of 'Centre House' in 2015.

Donations specifically for the building fund are added to the restricted Building Fund R.

The Gener8 fund supports those transitioning to adulthood to gain the necessary practical and social skills to become more independent in all aspects of their lives.

M8's is a Saturday club for young people. The balance at 31/3/21 is to fund a summer trip in July 2021.

The transfer from the Gettaway Club fund to the General fund represents 50% of the Gettaway income in the previous period.

The surplus on the unrestricted fund for the year of £89,261 is transferred to the designated Building Fund.

Nottingham Mencap

Notes to the Financial Statements for the Year Ended 31 March 2021

18 Analysis of net assets between funds

	Unrestricted funds		Restricted funds	2021 Total funds
	General £	Designated £	£	£
Tangible fixed assets	8,479	-	-	8,479
Current assets	320,112	672,476	53,162	1,045,750
Current liabilities	(24,773)	-	-	(24,773)
Total net assets	<u>303,818</u>	<u>672,476</u>	<u>53,162</u>	<u>1,029,456</u>

	Unrestricted funds		Restricted funds	2020 Total funds
	General £	Designated £	£	£
Tangible fixed assets	9,265	-	-	9,265
Current assets	349,803	585,254	50,327	985,384
Current liabilities	(36,645)	-	-	(36,645)
Total net assets	<u>322,423</u>	<u>585,254</u>	<u>50,327</u>	<u>958,004</u>

19 Benefits in kind

The charity owns the premises Harpenden House. The grounds upon which it is sited are subject to a lease from the Nottingham City Hospital NHS Trust at a peppercorn rent.

20 Related party transactions

There were no related party transactions in the year.