

# PARITY FOR DISABILITY

Annual Report and Accounts  
for the year ended 31 March 2021



For People With Multiple Disabilities

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# Chairman's report

As the year started we were just beginning to understand the impact of the Covid-19 pandemic and our response manifested itself in the organisation setting itself three key objectives:

1. To continue to contribute to the wellbeing of all students and staff whilst fully complying with government rules in place to combat the Covid-19 virus.
2. To ensure the financial survival of the charity through the period of the pandemic.
3. To get agreement from funders of a sufficient rise in fees to ensure the long term viability of the charity post Covid-19.

The first was achieved thanks to the magnificent efforts of the staff who, at an early stage, devised many activities that could be made available over the internet which was then delivered by a small management team. The staff continued to work hard responding to the changing government requirements providing a much valued service to the students.

The second was achieved thanks to the unprecedented support of the government job retention scheme and other grants as well as the high level of financial support from local authorities, CCGs and other funders.

The third was largely achieved once a small project team was established in late December and worked to define the required fee increases and share that justification with funders. By the end of the period many funders had agreed to the new level of fees, albeit in some cases over a two year period.

The changing environment on the provision of services to the disabled community has led to an increase in the demand for Parity's services and the priority for the charity is to find additional premises, at sensible cost, to enable expansion.

Parity has come through a most difficult year and, as the pandemic end is in sight, looks to the future, maintaining a sound financial position and growing to meet the demands of those with multiple disabilities.

My personal, and the Board's thanks and appreciation go to all the staff and volunteers who have continued to support Parity in its objectives – without them the future of Parity would have been in doubt. Throughout this period they have exemplified the reasons for the charity being honoured with the Queens Award for Voluntary Service.

**Owen Durrett**  
**Chairman**  
July 2021

# Trustees Report for the year ended 31st March 2021

## Directors and Trustees

### TRUSTEES (i)

Mr J.O Durrett	Chairman
Mr P Roper	Deputy Chairman
Mr D Turnidge	Treasurer
Cllr B Blewett (ii)	Hart DC Representative
Miss C Brunton	
Mr M Hassett	
Mr A Horton	Resigned 29/9/2020
Mr S Masterson	Rushmoor BC Representative
Mr C Porter	
Mr K Smith	
Mrs H Whitcroft	Surrey Heath BC representative

### EXECUTIVE DIRECTOR

Ms A Cooper

### SECRETARY

Ms A Cooper

(i) All Trustees are directors of the Company

(ii) Mr Blewett is a Trustee in his own right as well as acting as the Hart District Council representative



## Legal and Administrative Details

### REGISTERED OFFICE

94, Whetstone Road  
Cove, Farnborough,  
Hampshire GU14 9SX

### REGISTERED NUMBER

3584503 (England and Wales)

### CHARITY NUMBER

1071571

### AUDITORS

Edwin Smith  
Chartered Accountants  
Statutory Auditor  
32 Queens Road  
Reading  
RG1 4AU

### SOLICITORS

Bradleys Solicitors  
76, Frimley High Street, Frimley, Surrey

### BANKERS

COIF Charities Deposit Fund,  
St Alphage House, 2 Fore Street, London

CAF Bank Limited  
25 Kings Hill Avenue, Kings Hill, West Malling, Kent

HSBC  
30 Princes Mead Shopping Centre, Farnborough, Hampshire

Triodos Bank  
Deanery Road, Bristol

## Structure, Governance and Management

### Governing Document

Parity For Disability is a company limited by guarantee governed by its Memorandum and Articles of Association dated 1 October 1998 and amended to its current name on 16 July 2001. It is registered as a charity with the Charity Commission.

With the exception of its employees, membership is open to all those interested in supporting the Charity's objective.

### Organisation

The charity is administered by the Board of Trustees; during the 2020/2021 financial year there were eleven Trustees with one trustee resignation. The Articles of Association make provision for a minimum of three trustees and allow the maximum number to be determined by the Board of Trustees.

The Board normally meets once every two months, however, meetings via zoom have been more frequent during the pandemic. There are sub-committees covering finance and management, operations, services and the organisation's charity shop operation.

The Executive Director is appointed by the Trustees to manage all aspects of the Charity. To facilitate effective operations, the Executive Director has delegated authority, within terms of delegation approved by the Trustees, for operational matters.

### Appointment of Trustees

As set out in the Articles of Association Trustees of the Board of Trustees are selected by the membership at the Annual General Meeting. Trustees serve for a period of three years but one third of the Executive must retire by rotation, however retiring Trustees may offer themselves for re-election.

Rushmoor Borough Council, Hart District Council and Surrey Heath Borough Council may each nominate one representative. At this time the Hart District Council representative is also Trustees in his own right.

The Trustees have the power to co-opt members to the board; however co-opted Trustees must offer themselves for election at next Annual General Meetings. All members are invited to nominate Trustees prior to the AGM.

The Board of Trustees has assessed the range of specialist skills that are required for it to effectively perform its duties. It actively seeks suitable prospective trustees to ensure this requirement is satisfied.

### Trustee induction and training

Induction training is provided for all new Trustees to ensure that the strong philosophy and ethos of the organisation is understood and accepted. They are briefed on their legal obligations under charity and company law, the content of the Memorandum and Articles of Association, the legislation affecting disabled people, the committee and decision-making processes, the business plan and recent financial performance of the charity.

As part of the induction process, all new Trustees are given disability awareness training and are required to spend time in each of the service provisions, meet the other Trustees, key employees and volunteers.

The need for external training is assessed and provided as appropriate.

### Related parties

Mr Andrew Horton stepped down as a trustee on the 29th September 2020 to take on a temporary contract as a project manager to support a project to engage with our customers to agree fee increases. Charity Commission approval was sought in line with their requirements.



## The Impact of Coronavirus on the Charity

The pandemic has had a significant impact on the charity. The day services were closed on the 23rd March 2020 following advice from the local authority. A small team was retained to ensure management, communications and finance operations were maintained with other staff put on furlough. During the lockdown Parity stayed in constant touch with our students. A small team was also set to develop a remote service to support students during the lock down, which proved very popular. This was eventually extended to include garden and home visits and the service remains in place for those that were not able to return to the service. The service partially reopened on the 3rd August on a socially distanced basis. The service closed again at the beginning of January except for a small number of students with critical needs, before reopening again at the beginning of April on a socially distanced basis. Our shops followed a similar story. The summer holiday teen scheme was cancelled.

Parity has received unprecedented support from our local authority and CCG customers. In many cases they continued to pay us their normal fee, even when the service was closed. We have also received substantial support from the government. All other staff were placed on furlough and advantage taken of the job retention scheme. The combined support from the government and our customers for the year has exceeded our costs. Consequently we have made provision in these accounts to rebate excess fees back to our customers.

## Risk management

The Trustees have a risk management strategy, which comprises:

- an annual review of the risks the Charity may face
- the establishment of systems and procedures to mitigate those risks identified in the plan
- the identification of procedures required to minimise any potential impact on the charity should those risks materialise

The key risks Parity faces are :

### Financial

**Fee levels** - Parity's day services require a high staffing ratio which means our overall cost base is driven by salary costs. Increases in the minimum living wage in recent years have not been matched by fee increases. Parity has engaged with its funders and have been able to agree fee increases from April 2021 which will ensure short term viability. However, challenges remain as the minimum living wage is set to continue to increase significantly in line with Government policy while local authority funding faces cuts.

**Loss of students** - Meeting the needs of our students requires a high staff to student ratio. Student losses can result in short term increases in costs until either a new student is in place or staffing levels are adjusted. We aim to mitigate this risk by maintaining and managing a pipeline of new students.

**Closure of the day services** - The Coronavirus epidemic resulted in the temporary closure of our three day services. In this instance we received tremendous short term support from our funders as well as the government through the furlough scheme. While it did not cover the Coronavirus closure, we do have insurance that covers most other closure scenarios. The trustees will continue to develop contingency planning to be better prepared should we be forced to close in the future.

**Voluntary Income** - Our funders will not pay for key added value services, such as speech and physiotherapies. We have recently decided in a change to our strategy to deliver these services which includes utilisation of NHS specialist resources.

Our fundraising strategy is to maintain a mix of income streams including shops, company, community and individual donations, events and grantmaking bodies. We aim to maintain sufficient reserves to offset any short term funding shortfalls.

The Coronavirus epidemic has had a significant impact on our fundraising activities, including the closure of our charity shops. To an extent this has been mitigated by the departure of staff providing in house therapies.

**Maintaining Reserves** - The charity requires adequate reserves to mitigate against the uncertainty of fund raising, potential losses of students and other unexpected events - such as the coronavirus epidemic. They are also necessary to fund improvements to the service such as the increasingly urgent need to migrate the St Martins service to a more appropriate location.

**Financial mismanagement and control failures** - While there are strong controls over the bank accounts, full segregation of duties is difficult because of the small team. Risks are mitigated through a combination of regular financial review by management and procedures and controls.

## **Performance and Management**

**Service levels** - Failure to maintain the quality of our service puts both our reputation and our day services at risk. We mitigate this risk through management oversight, careful staff recruitment, ongoing training and comprehensive policies and procedures. While Parity's day services are currently outside the scope of the Care Quality Commission (CQC) a lot of work has gone into ensuring our service meets CQC standards.

**Professional negligence/staff misconduct** - both within the day service and corporate level. The controls around service levels are designed to minimise this risk which is also mitigated through insurance.

**Staff** – we are totally dependent on our staff to maintain the quality of our service. We recruit carefully to ensure that our staff are committed to Parity's standards. In common with most of the care sector our salaries are competitive rather than generous which makes staff retention an ongoing challenge.

## **Operational**

**Appropriate premises and facilities** – the expectations of our students have increased in recent years with the use of technology. This is particularly relevant for the St Martins day service which is delivered out of a church hall where staff have to lay out and pack away all equipment every day. We are looking to move this service to more suitable premises as soon as finances allow.

**Loss of premises/equipment failure** – there is insufficient capacity to accommodate one of the day services in the other two services for anything longer than a day or two. We mitigate against this risk by regular health and safety checks and ongoing maintenance of our buildings and equipment. We are insured against fire, theft and business losses.

**Information Technology** is important but not critical to Parity's operations. We mostly use standard office applications and our systems are maintained, secure and regularly backed up.

## **Objectives and activities**

The Charity's Objective as stated in the Memorandum of Association is "To promote the care welfare, interest, treatment, education and advancement of adults and children with cerebral palsy or a related disability or other severe or multiple disabilities."

The Charity's vision is a society where

- The equality, rights and dignity of children and adults with profound and multiple disabilities are understood and fully accepted
- People with multiple disabilities are afforded the opportunity to explore their potential
- People with multiple disabilities become an integral part of their community

The Charity's mission is "Excellence in services and support for children and adults with multiple disabilities, their families and carers." The charity aims to provide pioneering services that are completely responsive to the needs of an individual, their families and carers in order to help them achieve their potential and enjoy a quality of life that others take for granted. The philosophy of the service has the tenets of Equality, Rights and Dignity.

Parity for Disability service provision consists of:

- Day services in Farnborough, Camberley and Mytchett
- Music therapy service
- Easter and Summer Teenage activity scheme
- Where appropriate outreach support for the student
- Where possible to provide information and support



## Achievements and performance

During the year, in line with the business plan, the Charity achieved the following under each of the main strands:

### 1. To maintain and enhance the quality of our pioneering services

In response to the March lockdown, a key team developed an extensive remote service including phone, post, video and internet contact, garden visits and PPE deliveries. The Parity At Home website evolved to include ideas, resources, films and live streams as well as a comprehensive diary encompassing offerings from other organisations. The services all embraced digital developments, which will undoubtedly drive further service development and innovation.

Work practices were adapted to allow students to return to Covid secure environments from August, while the outreach service continued.

A consultation in September revealed the full effects of the lockdown on students and their families and provided evidence of the vital need for our services.

Following the extensive Health and Safety audit and review, a specialist HR company were commissioned to review staff contracts, handbooks, policies and procedures and provide advice.

### 2. To ensure a sustainable financial position

Unrestricted funds were overall break even for the year but there was a surplus of £45,287 in restricted funds. In the circumstances this is a good outcome which has only been achieved due to the support of our customers and the government. More importantly we have been successful in negotiating fee increases which should improve our ongoing viability.

### 3. To build purpose-designed premises in which we can provide and expand high quality services, which are responsive to the specific needs of the person

We continued to explore potential new sites for expansion of our specialist day services as the waiting list continues to grow. Lack of affordable premises meeting our requirements continues to be a barrier, despite renewing efforts and securing the assistance of a local expert.

### 4. To publicise and promote awareness

The website 'At Home' resources attracted widespread attention and expanded the charity's reach beyond its usual stakeholders. The local News and Mail covered Parity extensively during 2020-21, with stories about the outreach service, the day services re-opening, the Visilift purchase and a donation from the Farnborough Rotary. PMLD Link journal published an article about the feedback from Parity's lockdown consultation. We made contact with a new PMLD expert organisation, NAC Wellbeing, and provided participants for a focus group to assist with the development of their offering.

We maintained regular contact with supporters through updates on social media and newsletter mailings. The nationwide 2.6 challenge drew significant participation from students, families, carers, staff and supporters. The Queen's Award for Voluntary Service logo appears across all materials and continues to attract respect and confidence in the charity.

## Financial position and Reserves

Unrestricted funds were overall break even for the year with a surplus of £45,287 in restricted funds.

The Charity's reserves policy focuses on the level of "free" reserves. Free reserves exclude restricted funds and also that part of general funds used to acquire fixed assets.

The Charity retains "free" reserves for two main reasons:



- i) To manage the risk to which the charity is exposed in the course of its business (including safeguarding activities) funded by volatile voluntary income streams or by other sources that may be reduced or withdrawn.
- ii) To finance future plans in line with the charity's aims and strategic vision. This is primarily concerned with the acquisition of dedicated premises and development of services.

The Directors and Trustees consider that in order to meet these needs, and to operate effectively, the Charity needs sufficient reserves to cover between 2 and 4 months of expenditure. Based on normal unrestricted expenditure of £1.6 million this equates to reserves between £250,000 and £500,000.

Free reserves fell by £7,219 to £339,456 at 31st March 2021 (compared with £332,238 at 31<sup>st</sup> March 2020) which is towards the lower end of the range of the free reserves the Trustees consider necessary. The Directors and Trustees will seek to continue rebuilding reserves following successful fee negotiations and the hoped post pandemic return to normality.

Cash reserves are placed in interest bearing deposits with HSBC, CAF Bank and longer-term deposits with Charities Official Investment Fund (COIF).

## Remuneration Policy

The charity aims to pay competitive salaries to its staff based on the role undertaken. Staff are paid a basic salary plus overtime as appropriate. Increases in the minimum living wage means that keyworkers moved to the minimum living wage in April 2020. The charity operates a workplace pension scheme where relevant staff are automatically enrolled. In line with the minimum legal requirement, employer and employees contribute 3% and 5% of earnings respectively to the pension fund.

The executive director makes salary recommendations to the Trustees for approval. This is broadly based against market rates and affordability. The executive director's remuneration is determined by the trustees based on the joint recommendation of the Chairman, Vice Chairman and Treasurer.

None of the Trustees are remunerated and, with the exception of one trustee, are not reimbursed for expenses. In normal years one trustee is reimbursed for travelling expenses incurred in undertaking voluntary activities including stock rotation amongst the shops and in fund raising activities. However, no such expenses were incurred during the year.

## Plans for future periods

1. We will work to ensure that our services meet the demands of the crisis and that all necessary services can adapt and continue as restrictions lift and we gradually resume regular operations.
2. While working to achieve the necessary fee income to cover all our costs, we will not lose sight of the aims of the charity as laid out in Parity's governing documents, to provide quality services that meet the needs of people with multiple disabilities.
3. From home, students have been enthusiastically taking part in live learning activities with staff and other students, families and carers. The crisis has shown a continued need for services that stimulate and promote inclusion.
4. We will be shaping additional services, developing our digital capabilities and further resources to meet the needs of all students as far as possible, whether attending a day service or participating from home.

5. We will continue our efforts to ensure that the voice of people with PMLD is represented as widely as possible.

### Charity Objectives

Parity for Disability is dedicated to transforming lives. Without the right support, the life of a person with multiple disabilities becomes limited and lonely. Meaningful social contact, learning, achieving and experiencing the world all become impossible.

- Parity's services are there for people with multiple disabilities, their families and carers. Parity's mission is: Excellence in services and support for children and adults with multiple disabilities, their families and carers
- To provide pioneering services that are completely responsive to the needs of an individual in order to help them achieve their potential

### Charitable Purpose

Within the Charity Commissions guidance on charitable purposes the charity work is defined under two main headings.

- (i) The relief of those in need by reason of disability
- (ii) The promotion of equality and diversity

### Public Benefit

The Trustees have complied with the Charities Act 2011, with regard to the Charity Commission guide on public benefit. The key benefits are outlined below.

### Identifiable Benefits and relationship with charitable aims

#### (i) Provision of day services

The day services are designed to address the needs of adults aged 18+. All the people using the service have significant physical and learning disabilities, often with sensory impairments and need support with communication. All students need substantial support in all aspects of daily life.

Each student has an individual program plan designed to:-

- help each person to reach their individual potential by addressing their intellectual, physical and emotional needs
- give each person access to a quality of life often taken for granted by their non-disabled peers
- give access to the wider community
- provide the service in an environment of equality, rights and dignity

#### (ii) Music Therapy Service.

This service addresses the needs of children and adults of all ages with a wide range of complex conditions. Highly skilled music therapists assess each person's needs and develop an approach specifically designed for that person.

#### (iii) Teenage Activity Scheme

This service meets the need of teenagers with profound and multiple disabilities during the Easter and summer school vacations. They are paired with a non-disabled peer and encouraged to make choices about activities in which they wish to participate, these frequently include accessing the wider community.

#### (iv) Raising Awareness

There is a continuing and very worrying lack of awareness about children and adults with profound and multiple disabilities and their needs. The charity works by various means to raise public awareness of the needs of this group of disabled people.

These benefits are in line with the Charity's Memorandum of Association which states that in furtherance of the charitable objects the charity may:-



- provide maintain and conduct clinics treatments and training centres and workshops educational facilities playschools nurseries employment centres holiday camps and homes clubs hostels and other foundations
- provide and encourage the provision of the facilities for diagnosis, medical physical and surgical treatment with all necessary appliances physiotherapy, speech therapy and education
- collect and disseminate information relating to the care education treatment and rehabilitation of people with cerebral palsy and related disabilities or other unrelated severe and multiple disabilities

#### **Benefits must be balanced against any detriment or harm**

The Charity is not aware of any detriment or harm that results from its charitable work.

#### **Benefits must be appropriate to the aims**

Services are available to all children and adults with profound and multiple disabilities provided they can benefit from them. Experience has shown that provision for people with very challenging behavior would best be made in a dedicated Centre, however we do not currently have the financial resources to start such a Centre.

#### **Benefit to a section of the public. The opportunity must not be unreasonably restricted by geographical or other restrictions or by ability to pay any fee charged.**

There are no geographical restrictions only the distance that is reasonable to expect a person to travel in order to access the service.

Part of the cost of the day and teenage activity services is met directly by statutory services or by the individuals themselves, if they are in receipt of direct payments from social services. The remainder of the costs including all the cost of therapies is met by fundraising.

A fee for music therapy is charged, however the charity fundraises specifically to supply places for families who are unable to pay.

#### **People in poverty must not be excluded from the opportunity to benefit**

The funding mechanisms described above ensure families in poverty are not excluded and we try to maintain a hardship fund to assist families who need help.

#### **Any private benefits must be incidental**

There are no private benefits.

## Trustees' responsibilities in relation to the financial statements

### STATEMENT OF DIRECTORS' AND TRUSTEES' RESPONSIBILITIES

The Directors and Trustees are responsible for preparing the Directors and Trustees' Report and the financial statements in accordance with applicable law and regulations.

Company law requires the Directors and Trustees to prepare financial statements for each financial year. Under that law the Directors and Trustees have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law), including Financial Reporting Standard 102: The Financial Reporting Standard applicable in the UK and Republic of Ireland (United Kingdom Generally Accepted Accounting Practice).

Under company law the Directors and 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 charity and of the surplus or deficit profit or loss of the charity for that period. In preparing the financial statements the Directors and Trustees are required to:

- select suitable accounting policies and then apply them consistently
- observe the methods and principles in the Charities SORP
- make judgements and estimates that are reasonable and prudent
- 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 company will continue in business

The Directors and Trustees are responsible for keeping adequate accounting records that are sufficient to show and explain the company's transactions and disclose with reasonable accuracy at any time the financial position of the charity 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 charity and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

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

### STATEMENT OF DISCLOSURE OF INFORMATION TO AUDITORS

The Directors and Trustees of the company who held office at the date of approval of this annual report confirm that:


- so far as they are aware, there is no relevant audit information of which the company's auditors are unaware; and
- they have taken all the steps that they ought to have taken as Directors and Trustees in order to make themselves aware of any relevant audit information and to establish that the company's auditors are aware of that information.

### SMALL COMPANY RULES

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

### AUDITORS

A resolution will be proposed at the Annual General Meeting that Edwin Smith be re-appointed as auditors to the charity for the ensuing year.



By order of the Trustees J. O. Durrett (Chairman)

24th September 2021



# Report of the Independent Auditors to the Trustees of Parity For Disability

## Opinion

We have audited the financial statements of Parity for Disability (the "Charity") for the year ended 31 March 2021 which comprise the statement of financial activities, balance sheet, statement of cash flows and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102: The Financial Reporting Standard applicable in the UK and Republic of Ireland (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

- give a true and fair view of the state of the Charity's affairs as at 31 March 2021 and of its income and expenditure for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice;
- have been prepared in accordance with the requirements of the Companies Act 2006.

## Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the Charity 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 director's 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 charity's ability to continue as a going concern for a period of at least 12 months from when the financial statements are authorised for issue.

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

## Other Information

The trustees are responsible for the other information. The other information comprises the information included in the annual report other than the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are



required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

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

In the light of the knowledge and understanding of the Charity and its environment obtained in the course of the audit, we have not identified material misstatements in the Trustees' Annual Report.

We have nothing to report in respect of the following matters in relation to which the Charities Act 2011 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept or returns adequate for our audit have not been received from branches not visited by us;
- the financial statements are not in agreement with the accounting records and returns;
- we have not obtained all the information and explanations necessary for the purposes of our audit;
- the directors were not entitled to take advantage of the small companies exemption from the requirement to prepare a strategic report.

### **Responsibilities of the trustees**

As explained more fully in the trustees' responsibilities statement (set out on page 14), the trustees are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

### **Our responsibilities for the audit of the financial statements**

The trustees have elected for the financial statements to be audited in accordance with the Charities Act 2011 rather than the Companies Act 2006. Accordingly, we have been appointed as auditor under section 144 of the Charities Act 2011 and report in accordance with regulations made under section 154 of that Act.

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

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

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

The objectives of our audit in respect of fraud, are to identify and assess the risks of material misstatement of the financial statements due to fraud; to obtain sufficient appropriate audit evidence regarding the assessed risks of material misstatement due to fraud, through designing and implementing appropriate responses to those assessed risks; and to respond appropriately to instances of fraud or suspected fraud identified during the audit. However, the primary responsibility for the prevention and detection of fraud rests with both management and those charged with governance of the company.

Our approach was as follows:

- We obtained an understanding of the legal and regulatory requirements applicable to the Charity and considered that the most significant are the Companies Act 2006, the Charities Act 2011, UK financial reporting standards as issued by the Financial Reporting Council and UK taxation legislation.
- We obtained an understanding of how the Charity complies with these requirements by making enquiries with management and those charged with governance. We corroborated our enquiries through our review of the Trustees' meeting minutes.
- We assessed the susceptibility of the financial statements to material misstatement, including how fraud might occur by considering the key risks impacting the financial statements and documenting the controls that the Charity has established to address risks identified, or that otherwise seek to prevent, deter or detect fraud. In our assessment we considered the risk of management override. Our audit procedures included testing manual journals, including segregation of duties.
- We inquired of management and those charged with governance as to any known instances of non-compliance or suspected non-compliance with laws and regulations.
- Based on this understanding, we designed specific appropriate audit procedures to identify instances of non-compliance with laws and regulations. This included making enquiries of management and those charged with governance and obtaining additional corroborative evidence as required.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council'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 Charity's trustees, as a body, in accordance with section 144 of the Charities Act 2011 and the regulations made under section 154 of that Act. Our audit work has been undertaken so that we might state to the Charity's trustees 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 Charity's trustees as a body, for our audit work, for this report, or for the opinions we have formed.



**Edwin Smith**

Chartered Accountants

Statutory Auditor

32 Queens Road

Reading

RG1 4AU

Date 28/9/2021

Edwin Smith is eligible to act as auditor in terms of section 1212 of the Companies Act 2006

Parity for Disability (Registered Number: 3584503 - Charity Number 1071571)

Annual Report and Accounts for year ended 31st March 2021



# Statement of Financial Activities

for the Year Ended 31 March 2021

			31/03/2021	31/03/2020
		Unrestricted funds	Restricted funds	Total funds
Notes		£	£	£
<b>INCOME</b>				
Donations and legacies		70,635	110,850	181,485
Other Trading activities		77,571		77,571
<b>Income from Fundraising and Trading activities</b>	2	148,206	110,850	259,056
Income from charitable activities	3	732,574		732,574
Income from Investments	4	66		66
Other income	5	456,348	2	456,350
<b>Total income</b>		<b>1,337,194</b>	<b>110,852</b>	<b>1,448,046</b>
<b>EXPENDITURE</b>				
Raising funds	2,6	215,994		215,994
Charitable activities	3,6	1,121,200	65,565	1,186,765
<b>Total Expenditure</b>		<b>1,337,194</b>	<b>65,565</b>	<b>1,402,759</b>
<b>Net income/(expenditure)</b>	7		<b>45,287</b>	<b>45,287</b>
<b>Transfers between funds</b>				
<b>Net movement in funds</b>			<b>45,287</b>	<b>45,287</b>
<b>RECONCILIATION OF FUNDS</b>				
<b>Total funds brought forward</b>		541,850	168,451	710,301
<b>TOTAL FUNDS CARRIED FORWARD</b>		<b>541,850</b>	<b>213,738</b>	<b>755,588</b>

# Balance Sheet

for the Year Ended 31 March 2021

		Unrestricted funds £	Restricted funds £	31/03/2021 Total funds £	31/03/2020 Total funds £
	Notes				
<b>FIXED ASSETS</b>					
Tangible assets	10	220,567	94,818	315,385	319,697
<b>CURRENT ASSETS</b>					
Debtors	11	145,097		145,097	144,984
Cash at bank and in hand	15	488,541	126,888	615,429	337,920
		<u>633,638</u>	<u>126,888</u>	<u>760,526</u>	<u>482,904</u>
<b>CREDITORS</b>					
Amounts falling due within one year	12	(294,182)	(7,968)	(302,150)	(70,941)
<b>NET CURRENT ASSETS</b>		<u>339,456</u>	<u>118,920</u>	<u>458,376</u>	<u>411,963</u>
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>		<u>560,023</u>	<u>213,738</u>	<u>773,761</u>	<u>731,660</u>
<b>CREDITORS</b>					
Amounts falling due after more than one year	13	(18,173)		(18,173)	(21,359)
<b>NET ASSETS</b>		<u>541,850</u>	<u>213,738</u>	<u>755,588</u>	<u>710,301</u>
<b>FUNDS</b>					
Unrestricted funds	18			541,850	541,850
Restricted Funds	18			213,738	168,451
<b>TOTAL FUNDS</b>				<u>755,588</u>	<u>710,301</u>

## Balance Sheet - continued

As at 31 March 2021

The charitable company is entitled to exemption from audit under Section 477 of the Companies Act 2006 for the year ended 31 March 2021.

The members have not deposited notice, pursuant to Section 476 of the Companies Act 2006 requiring an audit of these financial statements.

The trustees acknowledge their responsibilities for

- Ensuring that the charitable company keeps accounting records that comply with Sections 386 and 387 of the Companies Act 2006 and
- preparing financial statements which give a true and fair view of the state of affairs of the charitable company as at the end of each financial year and of its income and expenditure for each financial year in accordance with the requirements of Sections 394 and 395 and which otherwise comply with the requirements of the Companies Act 2006 relating to financial statements, so far as applicable to the charitable company

These financial statements have been audited under the requirements of Section 154 of the Charities Act 2011.

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

The financial statements were approved by the Board of Trustees on 24th September 2021 and were signed on its behalf by:



**J.O. Durrett – Chairman**



## Statement of cash flows

for the Year Ended 31 March 2021

		31/03/2021	31/03/2020
	Unrestricted funds	Restricted funds	Total funds
Notes	£	£	£
<b>Net cash provided by (used in) operating activities</b>	230,443	76,304	306,747
<b>Cash flows from investing activities</b>			
Interest income	66		66
Proceeds from the sale of property, plant and equipment	3,610		3,610
Purchase of minibuses and equipment	0	(29,141)	(29,141)
<b>Net cash provided by (used in) investing activities</b>	<b>3,676</b>	<b>(29,141)</b>	<b>(25,465)</b>
<b>Cash flows from financing activities</b>			
Repayments of borrowing	(3,773)		(3,773)
<b>Net cash provided by (used in) investing activities</b>	<b>(3,773)</b>		<b>(3,773)</b>
<b>Change in cash and cash equivalents in the reporting period</b>	<b>230,346</b>	<b>47,163</b>	<b>277,509</b>
Cash and cash equivalents at the beginning of the reporting period (see note below)	258,195	79,725	337,920
Cash and cash equivalents at the end of the reporting period	15 488,541	126,888	615,429
<b>Change in cash and cash equivalents in the reporting period</b>	<b>230,346</b>	<b>47,163</b>	<b>277,509</b>

### Reconciliation of net income/(expenditure) to net cash flow from operating activities

<b>Net income/(expenditure) for the reporting period (as</b>	45,287	45,287	(17,447)
Adjustments for:			
Add back Depreciation charges	10,084	22,138	32,223
Add back profit in the sale of property, plant and equipment	(3,291)	911	(2,380)
Add back Interest income	(66)		(66)
Add back Interest expense	499		499
(Increase)/decrease in debtors	(113)		(113)
Increase/(decrease) in creditors	223,329	7,968	231,297
<b>Net cash provided by (used in) operating activities</b>	<b>230,443</b>	<b>76,304</b>	<b>306,747</b>

# Notes to the Financial Statements

for the Year Ended 31 March 2021

## 1. ACCOUNTING POLICIES

### Basis of preparation

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

Parity for Disability meets the definition of a public benefit entity under FRS 102. Assets and liabilities are initially recognised at historical cost or transaction value unless otherwise stated in the relevant accounting policy note(s).

### Preparation of the accounts on a going concern basis

The Trustees consider that there are no material uncertainties about the charitable company's ability to continue as a going concern. However, attention is drawn to the note on page 7 of these accounts which outlines the impact of Coronavirus on the charity.

The Trustees do not consider that there are any other sources of estimation uncertainty at the reporting date that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next reporting period.

### Fund Accounting

Unrestricted funds are donations and other incoming resources available for use at the discretion of the Trustees in furtherance of the objectives of the Charity

Restricted funds are those donated for use in a particular area or for specific purposes. Restrictions arise when specified by the donor or when funds are raised for particular restricted purposes. Restricted Fund balances used to purchase fixed assets are reduced in line with the underlying depreciation charge

### Income

Income is recognised when the Charity has entitlement to the funds, any performance conditions attached to the income have been met, it is probable that the income will be received and that the amount can be measured reliably.

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

Income received in advance of the provision of a specified service is deferred until the criteria for income recognition are met.

### Donations and other income

Donations and other income are recognised when they become due and credited to the statement of financial activities. Any donations received for specific time restricted purposes are carried forward as deferred income and matched with related expenditure.



### Gifts in Kind

In Kind donations of goods and items will be reflected in the accounts as both income and the associated expenditure. The value is determined based on the reasonable estimated open market value of the item. Gifts of services in the form of time will not be treated as voluntary income.

### Interest receivable

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

### Expenditure

Expenditure is recognised once there is a legal or constructive obligation to make a payment to a third party, it is probable that settlement will be required and the amount of the obligation can be measured reliably.

Expenditure is classified under the following activity headings within the statement of financial activities to one of the following headings:

- **Costs of raising funds**—The direct costs of fundraising and publicity activities, including the costs of Parity's charity shops.
- **Expenditure on charitable activities**—The direct and associated support costs of providing charitable services which comprise day services, music therapy and the teenage scheme.

Irrecoverable VAT is charged as a cost against the activity for which the expenditure was incurred.

Grants payable are payments made to third parties in the furtherance of the charitable objects of the Charity. In the case of unconditional grants they are accrued once the recipient has been notified of the grant award. The notification gives the recipient a reasonable expectation that they will receive the one year or multi-year grant. Grant awards that are subject to the recipient fulfilling performance conditions are accrued as the performance conditions are met.

### Allocation of support and governance costs

Expenditure is allocated to the particular activity where the costs relates directly to that activity. These costs have been allocated between the cost of raising funds and expenditure on charitable activities.

Costs are then identified relating to the governance of the Charity being the costs associated with constitutional statutory requirements and costs associated with the strategic management of the Charity's activities.

Support costs and governance costs are apportioned between the key charitable activities undertaken in the year on basis of revenue earned.

### Financial instruments

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

### Operating leases

Rentals charges are charged on a straight line basis over the term of the lease.

## **Tangible fixed assets**

Rather than incur the ongoing costs of a professional revaluation, in accordance with FRS 102 transitional accounting regulations, the Trustees have opted for a policy of depreciating the freehold based on the last recorded valuation of £230,000 with effect from 1st April 2016.

Purchased items that have a useful life of more than one year are capitalised at cost – subject to a de-minimus limit of £500. Assets are reviewed for impairment if circumstances indicate that their carrying value may exceed their net realisable value and value in use.

Depreciation is calculated to write off the cost less estimated residual value of fixed assets over their estimated useful lives.

### **Depreciation is charged on the following basis:**

Freehold Property	50 years straight line
Minibuses	5 years straight line
Furniture and equipment	20% of net book value pa on a reducing balance basis

## **Debtors**

Trade and other debtors are recognised at the settlement amount due. Prepayments are valued at the amount prepaid net of any trade discounts due.

Cash at bank and in hand

Cash at bank and in hand includes cash and short term deposits with a maturity or notice period of twelve months or less at the balance sheet date.

## **Creditors and provisions**

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

## **Pension Scheme**

The Charity operates a defined contribution scheme for its employees. Contributions payable to the scheme are charged to the statement of financial activities in the period to which they relate. The assets of the scheme are held separately from the Charity in an independently administered fund.

## 2. Analysis of Income from Fundraising and Trading activities

The small fundraising team generates both voluntary income and income from fund raising events which is reported under other trading activities. Trading activities also includes the three charity shops run by Parity. The analysis below shows the breakdown of income and associated expenses

	Unrestricted funds £	Restricted funds £	31/03/2021 £	31/03/2020 £
<b>Donations and Legacies</b>				
Donations and grants	70,635	110,850	181,485	122,263
Legacies				
Donations towards ongoing charitable activities	70,635	110,850	181,485	122,263
<b>Other Trading Activities</b>				
Fundraising events	782		782	2,577
Shop income	42,787		42,787	154,255
Local authority CoVid Grants	34,002		34,002	
	77,571		77,571	156,832
<b>Income from Fundraising and Trading activities</b>	<b>148,206</b>	<b>110,850</b>	<b>259,056</b>	<b>279,095</b>
<b>Expenditure on fundraising (including fundraising events)</b>				
Staff costs	55,661		55,661	58,803
Direct costs of fundraising events	275		275	325
Other fundraising costs	1,351		1,351	5,444
	57,287		57,287	64,572
Central overheads	32,951		32,951	34,429
Recharge for PR and publicity	(22,560)		(22,560)	(24,750)
Total	67,678		67,678	74,251
<b>Expenditure on running the Charity shops</b>				
Staff costs	60,227		60,227	72,409
Rent & rates	40,959		40,959	43,540
Services	406		406	18
Other shop & fundraising costs	24,899		24,899	20,466
Central overheads	21,825		21,825	21,033
	148,316		148,316	157,466
<b>Expenditure on raising funds</b>	<b>215,994</b>		<b>215,994</b>	<b>231,717</b>
<b>Summary by Fundraising Function</b>				
<b>Income by Fundraising Function</b>				
Income from Fundraising including events	71,417	110,850	182,267	157,509
Shop income	76,789		76,789	182,490
	148,206	110,850	259,056	339,999
<b>Expenses by Fundraising Function</b>				
Fundraising expenses including events	67,678		67,678	66,884
Shop expenses	148,316		148,316	147,325
	215,994		215,994	214,209
<b>Contribution by Fundraising Function</b>				
Contribution from Fundraising including events	3,739	110,850	114,589	90,625
Contribution from Shops	(71,527)		(71,527)	35,165
	(67,788)	110,850	43,062	125,790
<b>Average cost to raise £1 in pence by fundraising function</b>				
Income from Fundraising and fundraising events			37p	42p
Shop Income			193p	81p



### 3. Analysis of Income and Expenditure from charitable activities

Charitable income represents fees receivable by the day centres for the various activities enjoyed by participants, and totals £732,574 for the year (2020 £1,280,865)

	Unrestricted funds £	Restricted funds £	31/03/2021 £	31/03/2020 £
<b>Income</b>				
St Martins	281,842		281,842	341,641
Whetstone Road	54,161		54,161	384,910
Salisbury Grove	363,940		363,940	465,252
Music Therapy	31,427		31,427	75,617
Teenage activities scheme	1,204		1,204	13,445
Other charitable activities				
	<u>732,574</u>		<u>732,574</u>	<u>1,280,865</u>
<b>Expenditure</b>				
St Martins	287,154	3,558	290,712	312,318
Whetstone Road	379,799	1,894	381,693	427,004
Salisbury Grove	394,571	8,961	403,532	447,836
Teenage activities scheme	7,092		7,092	20,095
Music therapy	52,584	5,398	57,982	103,908
All activities		45,754	45,754	34,888
	<u>1,121,200</u>	<u>65,565</u>	<u>1,186,765</u>	<u>1,346,049</u>
Contribution/(deficit) from charitable activities			<u>(454,191)</u>	<u>(65,184)</u>
Average direct cost to provide service in pence per £1 of charitable income			162p	105p

Charitable activity costs include the direct costs attributable to the services together with a share of management and fundraising salary costs. Support costs are detailed in note 6

	31/03/2021 £	31/03/2020 £
Staff costs	826,717	922,177
Music Therapy sessional therapists	16,030	53,956
Rent & rates	75,732	77,519
Premises costs	22,481	27,091
Clinical care and waste	40,948	34,055
Speech and physio Therapy	(33)	893
Other direct charitable costs	55,378	65,725
Depreciation	27,424	33,747
Interest payable & similar charges	219	308
	<u>1,064,896</u>	<u>1,215,471</u>
Central overhead	<u>121,869</u>	<u>130,578</u>
	<u>1,186,765</u>	<u>1,346,049</u>

### 4. Income from Investments

Represents bank interest received from deposits

### 5. Other Income

For 2021 this relates primarily to £455,710 of payments from HMRC in respect of the furlough scheme. The balance for 2021 and all of 2020 comprises payments for ad hoc photocopying undertaken for a local community organisation.

## 6. Central costs

	31/03/2021 £	31/03/2020 £
<b>Central costs by cost type</b>		
Management wages	111,938	97,480
Auditors' remuneration	6,600	6,480
General insurance	6,732	6,960
Finance costs	280	307
Depreciation	4,688	6,335
Other management costs	23,847	43,728
PR and publicity	22,560	24,750
	<u>176,645</u>	<u>186,040</u>
<b>Central costs by function</b>		
General office costs	34,735	47,910
Management and admin support	75,785	64,635
Accounts including payroll	37,762	35,231
Facilities management	6,605	4,113
Minibuses	(803)	9,399
Corporate expenses (audit, finance and insurance costs)	1	2
Fundraising	22,560	24,750
Total central costs	<u>176,645</u>	<u>186,040</u>

The charity's expenditure includes Central costs as shown above. These costs are allocated to the Charity's activities on the bases shown below.

These costs have been allocated on the following basis

	Central £	Fundraising £	Day services £
Chief executive	(35,510)	5,168	29,982
Fundraising team - PR and communications activities		(12,051)	12,051
	<u>(35,510)</u>	<u>(6,883)</u>	<u>42,033</u>

### Cost Allocation model

	General office costs	Mgmt and admin costs	Accounts	Facilities	Minibuses	Corporate	Total central costs 2021	Total central costs 2020
<b>Costs to be allocated</b>								
Auditors' remuneration			6,600				6,600	6,276
General insurance	6,732						6,732	6,185
Finance costs	280						280	363
Depreciation	2,888				1,800		4,688	8,828
Other management costs	24,835	75,785	31,162	6,605	(2,603)	1	135,785	138,425
Direct costs	34,735	75,785	37,762	6,605	(803)	1	154,085	160,077
Central use of office costs	(19,105)	9,726	4,863	4,516				
Management		(23,079)	15,153	7,926				
	15,630	62,432	57,778	19,047	(803)	1	154,085	160,077
Accounts			(12,700)	7,345		5,355		
Facilities				(5,246)	5,246			
PR and publicity						22,560	22,560	22,295
	15,630	62,432	45,078	21,146	4,443	27,916	176,645	182,372
Corporate overhead								

Allocated to	General office costs	Mgmt and admin costs	Accounts	Facilities	Minibuses	Corporate	Total central costs 2021	Total central costs 2020
Day Services		21,287	29,622	14,097	4,443	20,450	89,899	105,178
Music Therapy	6,947	11,069	4,310	604		1,948	24,878	22,061
Teenage scheme		4,535	1,505	403		649	7,092	6,303
	6,947	36,891	35,437	15,104	4,443	23,047	121,869	133,542
Fundraising	8,683	18,555	5,713				32,951	28,246
Shop expenses		6,986	3,928	6,042		4,869	21,825	20,584
	15,630	62,432	45,078	21,146	4,443	27,916	176,645	182,372

Allocation basis	Space	Est mgmt time	Estimated use of key activities	Estimated use of key activities	No of minibuses	%age of revenue
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7. Net incoming/(outgoing) resources	31/03/2021	31/03/2020
	£	£
Net resources are stated after charging/(crediting):		
Auditors' remuneration	6,600	6,276
Depreciation - owned assets	32,223	38,112

#### 8. Trustees' remuneration and benefits

There were no trustees' remuneration or other benefits for the year ended 31 March 2021, nor for the year ended 31 March 2020. One Trustee is normally reimbursed for travel expenses but there were no expenses incurred in the year

Trustees' Expenses	31/03/2021	31/03/2020
One Trustee is reimbursed for travel expenses for undertaking the following voluntary duties		
Stock rotation amongst the shops		272
Collection/drop money boxes to local supporter sites		91
General support for admin and day service functions		91
		<u>454</u>
There were no other payments of trustee expenses		

#### 9. Staff Costs

	31/03/2021	31/03/2020
	£	£
Wages and salaries	974,573	1,016,612
National Insurance contributions	48,867	43,260
Pension contributions	19,913	14,773
Temporary staff paid via Agency	<u>11,190</u>	<u>11,190</u>
Staff Costs	<u>1,054,543</u>	<u>1,085,835</u>

There were no employees with emoluments of £60,000 or more (2020 £nil). Key management personnel comprise the Trustees and the executive director. The executive director's employment benefits were £38,026 (2020 £37,606)

A workplace pension scheme was established on the 1st August 2015. Contributions to the scheme are based on a percentage of salary in line with the minimum requirements. For the period 1st April 2018 to 31st March, this was 2% from Parity and 3% from the employee. The contribution rate increased from the 1st April 2019 to 3% for employer and a minimum of 5% from the employee. There is also an additional contribution made in line with one employee's remuneration arrangements.

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

Direct charitable work	51	52
Shops	8	9
Fundraising	2	2
Administrative	<u>5</u>	<u>4</u>
	<u>65</u>	<u>67</u>

In addition there 106 volunteers working in the shops, fundraising and assisting with the charitable work - the teen scheme was not run during the year.



## 10. Tangible fixed assets

	Freehold property £	Furniture & equipment £	Motor vehicles £	Total £	Restricted Assets £
<b>Cost or valuation</b>					
As at 31st March 2020	230,000	229,582	130,487	590,069	235,408
Additions		6,976	22,165	29,141	29,141
Disposals		(2,969)	(28,487)	(31,456)	(2,470)
as at 31st March 2021	<u>230,000</u>	<u>233,589</u>	<u>124,165</u>	<u>587,754</u>	<u>262,079</u>
<b>Depreciation</b>					
As at 31st March 2020	23,000	148,452	98,920	270,372	146,682
Charge for year	4,600	17,376	10,247	32,223	22,138
Eliminated on disposal		(1,739)	(28,487)	(30,226)	(1,559)
as at 31st March 2021	<u>27,600</u>	<u>164,089</u>	<u>80,680</u>	<u>272,369</u>	<u>167,261</u>
<b>Net Book Value</b>					
As at 31st March 2020	<u>207,000</u>	<u>81,130</u>	<u>31,567</u>	<u>319,697</u>	<u>88,726</u>
as at 31st March 2021	<u>202,400</u>	<u>69,500</u>	<u>43,485</u>	<u>315,385</u>	<u>94,818</u>

The freehold property 94 Whetstone Road, Farnborough, the mini-buses, shop and fundraising equipment are all used directly for charitable purposes, the remaining assets being used in the management and administration of the charity.

The freehold was last revalued in October 2013 by Clare & Co on an open market basis.

(i) Cost or valuation at 31 March 2016 is represented by:

Cost	158,478
Revaluation in 2006	76,522
Revaluation in 2013	<u>(5,000)</u>
	<u>230,000</u>

Rather than incur the ongoing costs of a professional revaluation, in accordance with FRS 102 transitional accounting regulations, the Trustees have opted for a policy of depreciating the freehold based on the last recorded valuation of £230,000 with effect from 1st April 2016.

## 11. Debtors and amounts falling due within one year

	31/03/2021 £	31/03/2020 £
Trade debtors	97,630	125,256
Other debtors	<u>47,467</u>	<u>19,728</u>
	<u>145,097</u>	<u>144,984</u>

## 12. Creditors: Amounts falling due within one year

	Unrestricted funds £	Restricted funds £	31/03/2021 £	31/03/2020 £
Bank loans & overdrafts	3,768		3,768	3,856
Trade creditors	9,261		9,261	19,701
Taxation & social security	10,731		10,731	14,990
Other creditors	270,422	7,968	278,390	32,394
	<u>294,182</u>	<u>7,968</u>	<u>302,150</u>	<u>70,941</u>

Other creditors includes a provision for £235,253 in respect of surplus funding from Local Authority and CCG funders. These funds will be offered back to funders once social distancing measures are removed and the final amount to be refunded can be calculated. The restricted other creditors balance relates to the unspent balance of a local authority grant towards infection control.

## 13. Creditors: Amounts falling due after more than one year

	31/03/2021 £	31/03/2020 £
Bank loans	18,173	21,359
Amounts falling due in more than five years:		
Repayable by instalments:		
Bank loans more than 5 yr by instalments	3,101	5,935

## 14. Secured debts

The following secured debts are included within creditors:

	31/03/2021 £	31/03/2020 £
Bank loans	21,941	25,215

The bank loan totalling £21,941 at 31 March 2021 is a commercial mortgage with a final repayment in 2027, and is secured upon the charity's freehold property.

## 15. Analysis of changes in Net debt

	Balance at 1 April 2020 £	Cash-flows £	Balance at 31 March 2021 £
Cash	<u>337,920</u>	<u>277,509</u>	<u>615,429</u>
Loans falling due within one year	(3,856)	88	(3,768)
Loans falling due after more than one year	<u>(21,359)</u>	<u>3,186</u>	<u>(18,173)</u>
	<u>(25,215)</u>	<u>3,274</u>	<u>(21,941)</u>
Total	<u>312,705</u>	<u>280,783</u>	<u>593,488</u>

#### 16. Calculation of Net free reserve

	31/03/2021 £	31/03/2020 £
Total accumulated Funds per Balance sheet	755,588	710,301
Less restricted fund balances	(213,738)	(168,451)
Unrestricted funds	541,850	541,850
<b>Less fixed assets</b>		
Fixed assets	(315,385)	(319,697)
Add back restricted fixed assets	94,818	88,726
Add mortgage over 1 year	18,173	21,359
	(202,394)	(209,612)
	<u>339,456</u>	<u>332,238</u>

#### 17. Operating Lease commitments

A 25 year operating lease over 23 Salisbury Grove, Mytchett was signed on 21st December 2014. The lease over 93 Whetstone Road was renewed in 2019 for ten years. The current lease on 92 Whetstone Road expires in 2022 and is expected to be renewed. The lease on the Frimley shop expired in November 2020 and was not renewed. The current leases on the other two shops have between 2 and 3 years to run. While not subject to a formal lease Parity rents the church hall at St Martins. In addition, Parity leases a number of photocopiers. Total commitments under non-cancellable operating leases as at 31st March 2021 were as follows

	31/03/2021 £	31/03/2020 £
Annual commitments		
0-1 Year	99,470	110,637
1-5 years	262,249	299,819
More than 5 years	582,792	632,692



## 18. Movement in funds

	Balance at 31/03/2020 £	Net movement £	Balance at 31/03/2021 £
<b>Unrestricted funds</b>			
General fund	469,728		469,728
Freehold revaluation and fair value reserve	72,122		72,122
	<u>541,850</u>		<u>541,850</u>
<b>Restricted funds - Fixed assets</b>			
Whetstone Road - Fixed Assets	18,017	2,726	20,743
St Martins - fixed assets	8,415	(1,558)	6,857
Salisbury Grove - fixed assets	35,188	(7,763)	27,425
New minibus	25,383	14,036	39,419
	<u>87,003</u>	<u>7,441</u>	<u>94,444</u>
<b>Restricted funds</b>			
Whetstone Road	16,359	(67)	16,292
St Martins	11,388	607	11,995
Salisbury Grove	5,378	236	5,614
Minibus running expenses			
Music therapy	7,494	(5,350)	2,144
Therapy	2,155	1,438	3,593
Day service funds	5,153	850	6,003
Musical instruments	421	(48)	373
Teen Activity Scheme	100		100
CoVid Grants		26,230	26,230
Restricted donations into new building fund	33,000	13,950	46,950
	<u>81,448</u>	<u>37,846</u>	<u>119,294</u>
<b>TOTAL FUNDS</b>	<u>710,301</u>	<u>45,287</u>	<u>755,588</u>

### Net movement in funds, included in the above are as follows:

	Incoming resources £	Resources expended £	Net movement £
<b>Unrestricted funds</b>			
General fund	1,337,194	1,337,194	
Freehold revaluation and fair value reserve			
	<u>1,337,194</u>	<u>1,337,194</u>	
<b>Restricted funds - Fixed assets</b>			
Whetstone Road - Fixed assets	4,300	1,574	2,726
St Martins - fixed assets		1,558	(1,558)
Salisbury Grove - fixed assets	599	8,362	(7,763)
New minibus	22,300	8,264	14,036
	<u>27,199</u>	<u>19,758</u>	<u>7,441</u>
<b>Restricted funds</b>			
Whetstone Road	841	908	(67)
St Martins	607		607
Salisbury Grove	835	599	236
Minibus running expenses	6,000	6,000	
Music therapy		5,350	(5,350)
Therapy	2,850	1,412	1,438
Day service funds	2	(848)	850
Musical instruments		48	(48)
Teen Activity Scheme			
CoVid Grants	58,568	32,338	26,230
Restricted donations into new building fund	13,950		13,950
	<u>83,653</u>	<u>45,807</u>	<u>37,846</u>
<b>TOTAL FUNDS</b>	<u>1,448,046</u>	<u>1,402,759</u>	<u>45,287</u>

## **19. POST BALANCE SHEET EVENTS**

The Coronavirus pandemic have had a material impact on Parity as outlined in the Trustee report. This included the temporary closure of the three day services and charity shops. It is not possible at this stage to fully quantify the impact on the financial results for the year ended 31st March 2021.

## **20. GENERAL INFORMATION**

Parity for Disability is a Limited by guarantee Charitable Company Incorporated in England & Wales. The Registered Offices is 94 Whetstone Road, Cove, Farnborough, Hampshire GU14 9SX



For People With Multiple Disabilities

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REGISTERED COMPANY NUMBER: 3584503 (England and Wales)

REGISTERED CHARITY NUMBER 1071571