

PARITY FOR DISABILITY

Annual Report and Accounts
for the year ended 31 March 2023



For People With Multiple Disabilities

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Chairman's report

Over the period there was a gradual return to pre-Covid working conditions, albeit we were required to align with NHS practices for PPE and distancing recommendations which delayed a full return to "normality" until near the end of the period. The commitment of staff during the whole period of the restrictions has been exemplary often under trying circumstances.

The inflationary pressures early in the period meant that we, once again, had to seek appropriate levels of fees just to maintain our financial viability. The reluctance of service purchasers to recognise and satisfy the need took a lot of management time and effort which, in the end, proved largely successful and the year ended with the charity in a good financial position.

The deeper effects of the Covid pandemic are apparent as society changes and work / life balances are highlighted – this has been reflected in the difficulty in recruiting staff to meet the needs of our students.

During the year, we continued with our structural reviews and appointed a business manager to provide more focus on those aspects, recognising the increasing work on the service aspects. Thanks to Lottery funding we have appointed a Health & Wellbeing Officer to address the therapy needs of our students and seek solutions from the NHS disciplines.

The infrastructure is being modernised with the introduction of a new comprehensive integrated telephony and IT system for the administration functions and investigations have commenced on digitalisation of the services report system (currently paper based)

The final part of this review has commenced examining the governance and assurance aspects under the Boards responsibility.

The pressure to expand our services is increasing both in terms of student demand and the need to resolve the accommodation constraints in the Camberley services. There is hope that the first steps will take place during the next period.

Parity has come through three difficult years with the strong support of the community and funders and we now look forward to meeting the challenges that the next year will bring – high inflation, greater financial constraints on funders and an increasing demand for services set against a background of difficult staff recruitment.

I conclude in thanking the "Parity Team" - all staff & volunteers, the senior management team, my fellow trustees and our supporters for their hard work during the period and for putting the wellbeing of our students at the forefront of everything they do.

Owen Durrett

Chairman

October 2023

Trustees Report for the year ended 31st March 2023

Directors and Trustees

TRUSTEES (i)

| | |
|---------------------|------------------------|
| Mr J.O Durrett | Chairman |
| Mr P Roper | Deputy Chairman |
| Mr D Turnidge | Treasurer |
| Mrs L Anderson | Co-opted 30/1/23 |
| Cllr B Blewett (ii) | Hart DC Representative |
| Miss C Brunton | |
| Mr M Hassett | |
| Mr C Porter | |
| Mr D Randall | |
| Mr K Smith | |

REPRESENTATIVES

| | |
|-----------------|--------------------------------|
| Mr S Masterson | Rushmoor BC Representative |
| Mrs H Whitcroft | Surrey Heath BC Representative |

EXECUTIVE DIRECTOR

Ms A Cooper

SECRETARY

Ms A Cooper

(i) All Trustees are directors of the Company and the Trustees report also meets the requirements for a directors report for Companies Act purposes.

(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

360 Law Services
377-399 London Road,
Camberley, Surrey,
GU15 3HL

BANKERS

COIF Charities Deposit Fund,
St Alphege 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 2022/2023 financial year there were ten Trustees with one new trustee co-opted. 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. A management group has been put into place—it meets monthly covering finance and management, operations and services. There are sub committees covering , 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.

The Impact of Coronavirus on the Charity

Services have now returned to normal although it has proved difficult to fill staffing vacancies.

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. Minimum living wage increases continue to drive up costs requiring funding increases. As a charity we have striven to manage costs without impacting students. Fee increases were largely achieved during the year, helped in part by repayment of the over funding provision.

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. We also plan to fund additional day service staff from voluntary income.

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.

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. We have been investing in our infrastructure to improve functionality and resilience.

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

We have taken advice and refreshed our recruitment campaign to rebuild staffing to pre-covid levels and have been able to start to address our ever-growing waiting list.

We have expanded our training programme to include Interactive ICT and Specialist Yoga to further enhance our service provision. We have also trained and appointed Mental Health First Aiders and Responders at each day service.

We have developed an application to fund a Health and Wellbeing Officer post, to increase access to specialist therapeutic input.

Activities have continued to develop post-covid as access and confidence has grown.

2. To ensure a sustainable financial position

Unrestricted funds showed a surplus of £[82,559] for the year. There was also a net surplus of £[1,285] in restricted funds. In part this surplus was generated through staff cost savings due to the difficulty of recruiting staff.

We negotiated reasonable fee increase with purchasers to reflect increasing staff and general costs.

We have maintained a broad and varied supporter base to cope with fluctuating economic environments, with charity shops in particular providing useful income during difficult times, as well as providing a valuable service to their local communities. We have also introduced card readers for external events as we move towards a cashless society.

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

Suitable premises for expansion remain elusive. However, we have continued to meet with those involved in local provision and development planning to share our requirements.

Improvements have been undertaken in the garden areas at each service to improve access and enhance the environment.

4. To publicise and promote awareness

We continued to attend local groups and forums to raise awareness of the issues faced by those with multiple disabilities and their families, including the newly formed Rushmoor Access Action Group. We also had a stand at the regional exhibition Kidz to Adults.

We were able to provide advice regarding accessibility for a local country park development which now includes a Changing Places Toilet and accessible play equipment.

A "nominate us" initiative was launched to encourage people to promote the organisation and we were the chosen charity of local Mayors, companies and community organisations.

Improvements were made to the website, including a supporters' area. Advice was taken to develop our social media plan, calendar and presence, and also video content.

Financial position and Reserves

There were overall surpluses of £81,422 and £1,285 in unrestricted and restricted funds for the year respectively.

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 projected normal unrestricted expenditure of c£1.9 million this equates to reserves between £315,000 and £630,000.

Free reserves increased by £70,720 to £442,019 at 31st March 2023 (compared with £371,299 at 31st March 2021) which is towards the middle of the range of the free reserves the Trustees consider necessary. The Directors and Trustees will seek to continue to rebuilding reserves.

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. 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 for either of the years ended 31st March 2023 and 31st March 2022.

Plans for future periods

Raising awareness of and support for the charity, its mission and aims will remain a priority, as will monitoring and documenting existing and emerging needs. These will be flagged to key audiences including local councils, NHS bodies, umbrella groups and government policy makers.

Having completed the evaluation of the structure of the charity in terms of management and service provision, work will be underway to review governance and assurance arrangements to ensure the charity aligns with the most up to date best practice guidance.

The charity will also be undertaking a digitisation project within its services to move to an IT-based system of recording and monitoring.

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 behaviour 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)

2nd October 2023

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 2023 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 2023 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]. 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 3/10/2023

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 2023

Statement of Financial Activities

for the Year Ended 31 March 2023

| | | | | 31/03/2023 | 31/03/2022 |
|---|-------|-------------------------|-----------------------|------------------|------------------|
| | Notes | Unrestricted funds £ | Restricted funds £ | Total funds £ | Total funds £ |
| INCOME | | | | | |
| Donations and legacies | | 56,153 | 46,104 | 102,257 | 105,944 |
| Other Trading activities | | 177,835 | | 177,835 | 134,096 |
| Income from Fundraising and Trading activities | 2 | 233,988 | 46,104 | 280,092 | 240,040 |
| Income from charitable activities | 3 | 1,448,461 | | 1,448,461 | 1,165,651 |
| Income from Investments | 4 | 1,713 | | 1,713 | 5 |
| Other income | 5 | 190 | | 190 | 53,289 |
| Total income | | 1,684,352 | 46,104 | 1,730,456 | 1,458,985 |
| EXPENDITURE | | | | | |
| Raising funds | 2,6 | 215,153 | | 215,153 | 185,130 |
| Charitable activities | 3,6 | 1,387,777 | 44,819 | 1,432,596 | 1,264,712 |
| Total Expenditure | | 1,602,930 | 44,819 | 1,647,749 | 1,449,842 |
| Net income/(expenditure) | 7 | 81,422 | 1,285 | 82,707 | 9,143 |
| Transfers between funds | | | | | |
| Net movement in funds | | 81,422 | 1,285 | 82,707 | 9,143 |
| RECONCILIATION OF FUNDS | | | | | |
| Total funds brought forward | | 570,889 | 193,842 | 764,731 | 755,588 |
| TOTAL FUNDS CARRIED FORWARD | | 652,311 | 195,127 | 847,438 | 764,731 |

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

Balance Sheet

for the Year Ended 31 March 2023

| | Notes | Unrestricted funds £ | Restricted funds £ | 31/03/2023 Total funds £ | 31/03/2022 Total funds £ |
|--|-------|----------------------------|--------------------------|-----------------------------------|-----------------------------------|
| FIXED ASSETS | | | | | |
| Tangible assets | 10 | 210,292 | 47,563 | 257,855 | 286,996 |
| CURRENT ASSETS | | | | | |
| Debtors | 11 | 130,409 | | 130,409 | 143,186 |
| Cash at bank and in hand | 15 | 559,353 | 147,561 | 706,914 | 694,536 |
| | | <u>689,762</u> | <u>147,561</u> | <u>837,323</u> | <u>837,722</u> |
| CREDITORS | | | | | |
| Amounts falling due within one year | 12 | (247,743) | 3 | (247,740) | (345,236) |
| NET CURRENT ASSETS | | <u>442,019</u> | <u>147,564</u> | <u>589,583</u> | <u>492,486</u> |
| TOTAL ASSETS LESS CURRENT LIABILITIES | | <u>652,311</u> | <u>195,127</u> | <u>847,438</u> | <u>779,482</u> |
| CREDITORS | | | | | |
| Amounts falling due after more than one year | 13 | | | | (14,751) |
| NET ASSETS | | <u>652,311</u> | <u>195,127</u> | <u>847,438</u> | <u>764,731</u> |
| FUNDS | | | | | |
| Unrestricted funds | 18 | | | 652,311 | 570,889 |
| Restricted Funds | 18 | | | 195,127 | 193,842 |
| TOTAL FUNDS | | | | <u>847,438</u> | <u>764,731</u> |

Balance Sheet - continued

As at 31 March 2023

The charitable company is entitled to exemption from audit under Section 477 of the Companies Act 2006 for the year ended 31 March 2023.

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

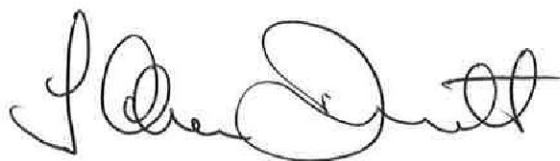
The trustees acknowledge their responsibilities for

- 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 2nd October 2023 and were signed on its behalf by:



J.O. Durrett – Chairman

2nd October 2023

Statement of cash flows

for the Year Ended 31 March 2023

| | | | 31/03/2023 | 31/03/2022 |
|---|-------|-------------------------|-----------------------|------------------|
| | Notes | Unrestricted funds £ | Restricted funds £ | Total funds £ |
| Net cash provided by (used in) operating activities | | 7,841 | 21,187 | 29,028 |
| Cash flows from investing activities | | | | |
| Interest income | | 1,713 | | 1,713 |
| Proceeds from the sale of property, plant and equipment | | | | |
| Purchase of minibuses and equipment | | | | (3,681) |
| Net cash provided by (used in) investing activities | | 1,713 | | 1,713 |
| Cash flows from financing activities | | | | |
| Repayments of borrowing | | (18,363) | | (18,363) |
| Net cash provided by (used in) investing activities | | (18,363) | | (18,363) |
| Change in cash and cash equivalents in the reporting period | | (8,809) | 21,187 | 12,378 |
| Cash and cash equivalents at the beginning of the reporting period (see note below) | | 568,162 | 126,374 | 694,536 |
| Cash and cash equivalents at the end of the reporting period | 15 | 559,353 | 147,561 | 706,914 |
| Change in cash and cash equivalents in the reporting period | | (8,809) | 21,187 | 12,378 |

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

| | | | | |
|--|--------------|---------------|---------------|---------------|
| Net income/(expenditure) for the reporting period (as | 81,422 | 1,285 | 82,707 | 9,143 |
| Adjustments for: | | | | |
| Add back Depreciation charges | 9,236 | 19,905 | 29,141 | 32,070 |
| Add back profit in the sale of property, plant and equipment | | | | |
| Add back Interest income | (1,713) | | (1,713) | (5) |
| Add back Interest expense | (196) | | (196) | 314 |
| (Increase)/decrease in debtors | 12,777 | | 12,777 | 1,911 |
| Increase/(decrease) in creditors | (93,685) | (3) | (93,688) | 43,046 |
| Net cash provided by (used in) operating activities | 7,841 | 21,187 | 29,028 | 86,479 |

Notes to the Financial Statements

for the Year Ended 31 March 2023

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. The gifts donated to charity for resale in shops are shown as shop 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 £ | 31/03/2023 £ | 31/03/2022 £ |
|--|----------------------------|--------------------------|-----------------|-----------------|
| Donations and Legacies | | | | |
| Donations and grants | 56,153 | 46,104 | 102,257 | 105,944 |
| Legacies | | | | |
| Donations towards ongoing charitable activities | 56,153 | 46,104 | 102,257 | 105,944 |
| Other Trading Activities | | | | |
| Fundraising events | 3,438 | | 3,438 | 783 |
| Shop income | 174,397 | | 174,397 | 99,311 |
| Local authority CoVid Grants | | | | 34,002 |
| | 177,835 | | 177,835 | 134,096 |
| Income from Fundraising and Trading activities | 233,988 | 46,104 | 280,092 | 240,040 |
| Expenditure on fundraising (including fundraising events) | | | | |
| Staff costs | 58,110 | | 58,110 | 60,826 |
| Direct costs of fundraising events | 704 | | 704 | 526 |
| Other fundraising costs | 4,402 | | 4,402 | 1,410 |
| | 63,216 | | 63,216 | 62,762 |
| Central overheads | 44,403 | | 44,403 | 32,544 |
| Recharge for PR and publicity | (26,905) | | (26,905) | (23,827) |
| Total | 80,714 | | 80,714 | 71,479 |
| Expenditure on running the Charity shops | | | | |
| Staff costs | 55,814 | | 55,814 | 55,306 |
| Rent & rates | 27,237 | | 27,237 | 27,184 |
| Services | 43 | | 43 | 62 |
| Other shop & fundraising costs | 25,802 | | 25,802 | 10,648 |
| Central overheads | 25,543 | | 25,543 | 20,451 |
| | 134,439 | | 134,439 | 113,651 |
| Expenditure on raising funds | 215,153 | | 215,153 | 185,130 |
| Summary by Fundraising Function | | | | |
| Income by Fundraising Function | | | | |
| Income from Fundraising including events | 59,591 | 46,104 | 105,695 | 106,727 |
| Shop income | 174,397 | | 174,397 | 133,313 |
| | 233,988 | 46,104 | 280,092 | 240,040 |
| Expenses by Fundraising Function | | | | |
| Fundraising expenses including events | 80,714 | | 80,714 | 71,479 |
| Shop expenses | 134,439 | | 134,439 | 113,651 |
| | 215,153 | | 215,153 | 185,130 |
| Contribution by Fundraising Function | | | | |
| Contribution from Fundraising including events | (21,123) | 46,104 | 24,981 | 35,248 |
| Contribution from Shops | 39,958 | | 39,958 | 19,662 |
| | 18,835 | 46,104 | 64,939 | 54,910 |
| Average cost to raise £1 in pence by fundraising function | | | | |
| Income from Fundraising and fundraising events | | | 76p | 67p |
| Shop income | | | 77p | 85p |

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 £1,448,461 for the year (2022 £1,165,651)

| | Unrestricted funds £ | Restricted funds £ | 31/03/2023 £ | 31/03/2022 £ |
|---|----------------------------|--------------------------|------------------|------------------|
| Income | | | | |
| St Martins | 416,632 | | 416,632 | 340,072 |
| Whetstone Road | 462,126 | | 462,126 | 368,694 |
| Salisbury Grove | 520,122 | | 520,122 | 430,745 |
| Music Therapy | 46,081 | | 46,081 | 26,140 |
| Teenage activities scheme | 3,500 | | 3,500 | |
| Other charitable activities | | | | |
| | <u>1,448,461</u> | | <u>1,448,461</u> | <u>1,165,651</u> |
| Expenditure | | | | |
| St Martins | 346,415 | 1,667 | 348,082 | 308,220 |
| Whetstone Road | 462,250 | 6,334 | 468,584 | 409,570 |
| Salisbury Grove | 493,750 | 2,592 | 496,342 | 417,469 |
| Teenage activities scheme | 11,764 | 100 | 11,864 | 6,830 |
| Music therapy | 73,598 | 11,385 | 84,983 | 63,798 |
| All activities | | <u>22,741</u> | <u>22,741</u> | <u>58,825</u> |
| | <u>1,387,777</u> | <u>44,819</u> | <u>1,432,596</u> | <u>1,264,712</u> |
| Contribution/(deficit) from charitable activities | | | <u>15,865</u> | <u>(99,061)</u> |
| Average direct cost to provide service in pence per £1 of charitable income | | | 99p | 108p |

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

| | 31/03/2023 £ | 31/03/2022 £ |
|------------------------------------|------------------|------------------|
| Staff costs | 972,367 | 885,670 |
| Music Therapy sessional therapists | 28,872 | 16,273 |
| Rent & rates | 77,928 | 74,330 |
| Premises costs | 56,207 | 42,649 |
| Clinical care and waste | 39,819 | 38,485 |
| Speech and physio Therapy | | 90 |
| Other direct charitable costs | 75,180 | 45,176 |
| Depreciation | 23,967 | 27,411 |
| Interest payable & similar charges | 61 | 144 |
| | <u>1,274,401</u> | <u>1,130,228</u> |
| Central overhead | <u>158,195</u> | <u>134,484</u> |
| | <u>1,432,596</u> | <u>1,264,712</u> |

4. Income from Investments

Represents bank interest received from deposits

5. Other Income

For 2022 this includes £65,832 of payments from HMRC in respect of the furlough scheme. The balance for 2023 and all of 2022 comprises payments for ad hoc photocopying undertaken for a local community organisation.

6. Central costs

| | 31/03/2023 £ | 31/03/2022 £ |
|---|-----------------|-----------------|
| Central costs by cost type | | |
| Management wages | 130,344 | 89,954 |
| Auditors' remuneration | 7,092 | 6,660 |
| General insurance | 9,110 | 8,675 |
| Finance costs | (257) | 170 |
| Depreciation | 5,105 | 4,571 |
| Other management costs | 49,842 | 53,622 |
| PR and publicity | 26,905 | 23,827 |
| | <u>228,141</u> | <u>187,479</u> |
| Central costs by function | | |
| General office costs | 50,524 | 36,431 |
| Management and admin support | 102,899 | 72,503 |
| Accounts including payroll | 36,650 | 35,761 |
| Facilities management | | 1,801 |
| Minibuses | 11,163 | 17,156 |
| Corporate expenses (audit, finance and insurance costs) | | |
| Fundraising | 26,905 | 23,827 |
| Total central costs | <u>228,141</u> | <u>187,479</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

Cost Allocation model

| | General office costs | Mgmt and admin | Accounts | Facilities | Minibuses | Corporate | Total central costs 2023 | Total central costs 2022 | Fundraising team |
|------------------------------|-------------------------|-------------------|----------|------------|-----------|-----------|-----------------------------|-----------------------------|---------------------|
| Costs to be allocated | | | | | | | | | |
| Auditors' remuneration | | | 7,092 | | | | 7,092 | 6,660 | |
| General insurance | 9,110 | | | | | | 9,110 | 8,675 | |
| Finance costs | (257) | | | | | | (257) | 170 | |
| Depreciation | 3,305 | | | | 1,800 | | 5,105 | 4,571 | 70 |
| Other management costs | 38,366 | 102,899 | 29,558 | | 9,363 | | 180,186 | 143,576 | 63,146 |
| Direct costs | 50,524 | 102,899 | 36,650 | | 11,163 | | 201,236 | 163,652 | 63,216 |
| Central use of office costs | (27,788) | 14,147 | 7,073 | 6,568 | | | | | 12,631 |
| Management | | (31,590) | 20,741 | 10,849 | | | | | 25,398 |
| | 22,736 | 85,456 | 64,464 | 17,417 | 11,163 | | 201,236 | 163,652 | 101,245 |
| Accounts | | | (14,170) | 8,195 | | 5,975 | | | 6,374 |
| Facilities | | | | (5,091) | 5,091 | | | | 0 |
| PR and publicity | | | | | | 26,905 | 26,905 | 23,827 | (26,905) |
| | 22,736 | 85,456 | 50,294 | 20,521 | 16,254 | 32,880 | 228,141 | 187,479 | 80,714 |
| Corporate overhead | | | | | | | | | 80,714 |

| Allocated to | General office costs | Mgmt and admin | Accounts | Facilities | Minibuses | Corporate | Total central costs 2023 | Total central costs 2022 |
|---------------------|-------------------------|-------------------|----------|------------|-----------|-----------|-----------------------------|-----------------------------|
| Day Services | | 29,137 | 33,050 | 13,681 | 16,254 | 24,086 | 116,208 | 103,013 |
| Music Therapy | 10,105 | 15,151 | 4,809 | 586 | | 2,294 | 32,945 | 24,641 |
| Teenage scheme | | 6,207 | 1,679 | 391 | | 765 | 9,042 | 6,830 |
| | 10,105 | 50,495 | 39,538 | 14,658 | 16,254 | 27,145 | 158,195 | 134,484 |
| Fundraising | 12,631 | 25,398 | 6,374 | | | | 44,403 | 32,544 |
| Shop expenses | | 9,563 | 4,382 | 5,863 | | 5,735 | 25,543 | 20,451 |
| | 22,736 | 85,456 | 50,294 | 20,521 | 16,254 | 32,880 | 228,141 | 187,479 |

| | | | | | | |
|------------------|-------|------------------|---------------------------------------|---------------------------------------|--------------------|--------------------|
| Allocation basis | Space | Est mgmt time | Estimated use of key activities | Estimated use of key activities | No of minibuses | %age of revenue |
|------------------|-------|------------------|---------------------------------------|---------------------------------------|--------------------|--------------------|

7. Net incoming/(outgoing) resources

31/03/2023 31/03/2022
£ £

Net resources are stated after charging/(crediting):

| | | |
|-----------------------------|--------|--------|
| Auditors' remuneration | 7,092 | 6,660 |
| Depreciation - owned assets | 29,141 | 32,070 |

8. Related party transactions and Trustees' remuneration and benefits

(i) There are no related party transactions during the year.

(ii) There were no trustees' remuneration or other benefits for the year ended 31 March 2023, nor for the year ended 31 March 2022. One Trustee is normally reimbursed for travel expenses but there were no expenses incurred in the year

9. Staff Costs

31/03/2023 31/03/2022
£ £

| | | |
|----------------------------------|------------------|------------------|
| Wages and salaries | 1,120,054 | 1,009,604 |
| National Insurance contributions | 70,610 | 36,531 |
| Pension contributions | 23,914 | 23,511 |
| Temporary staff paid via Agency | 2,057 | 11,190 |
| Staff Costs | <u>1,216,635</u> | <u>1,080,836</u> |

There were no employees with emoluments of £60,000 or more (2022 £nil). Key management personnel comprise the Trustees and the executive director. The executive director's employment benefits were £39,603 (2022 £37,246)

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 | 47 | 46 |
| Shops | 7 | 7 |
| Fundraising | 2 | 3 |
| Administrative | 4 | 3 |
| | <u>60</u> | <u>59</u> |

In addition there 70 volunteers working in the shops, fundraising and assisting with the charitable work.

10. Tangible fixed assets

| | Freehold property £ | Furniture & equipment £ | Motor vehicles £ | Total £ | Restricted Assets £ |
|--------------------------|---------------------------|-------------------------------|------------------------|----------------|---------------------------|
| Cost or valuation | | | | | |
| As at 31st March 2022 | 230,000 | 237,270 | 124,165 | 591,435 | 264,779 |
| Additions | | | | | |
| Disposals | | | | | |
| as at 31st March 2023 | <u>230,000</u> | <u>237,270</u> | <u>124,165</u> | <u>591,435</u> | <u>264,779</u> |
| Depreciation | | | | | |
| As at 31st March 2022 | 32,200 | 178,725 | 93,514 | 304,439 | 190,596 |
| Charge for year | 4,600 | 11,708 | 12,833 | 29,141 | 19,905 |
| Eliminated on disposal | | | | | |
| as at 31st March 2023 | <u>36,800</u> | <u>190,433</u> | <u>106,347</u> | <u>333,580</u> | <u>210,501</u> |
| Net Book Value | | | | | |
| As at 31st March 2022 | <u>197,800</u> | <u>58,545</u> | <u>30,651</u> | <u>286,996</u> | <u>74,183</u> |
| as at 31st March 2023 | <u>193,200</u> | <u>46,837</u> | <u>17,818</u> | <u>257,855</u> | <u>54,278</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

| | 31/03/2023 £ | 31/03/2022 £ |
|---------------|-----------------|-----------------|
| Trade debtors | 113,922 | 126,630 |
| Other debtors | <u>16,487</u> | <u>16,556</u> |
| | <u>130,409</u> | <u>143,186</u> |

12. Creditors: Amounts falling due within one year

| | Unrestricted funds £ | Restricted funds £ | 31/03/2023 £ | 31/03/2022 £ |
|----------------------------|----------------------------|--------------------------|-----------------|-----------------|
| Bank loans & overdrafts | | | | 3,808 |
| Trade creditors | 28,199 | | 28,199 | 15,155 |
| Taxation & social security | 18,037 | | 18,037 | 4,126 |
| Other creditors | 201,507 | (3) | 201,504 | 322,147 |
| | <u>247,743</u> | <u>(3)</u> | <u>247,740</u> | <u>345,236</u> |

Other creditors at 31st March 2022 included a provision for £255,049 in respect of surplus funding from Local Authority and CCG funders covering the period 1st April 2020 to 30th September 2021. These funds are being offered back to funders either through direct payment or as a discount on fees. The balance had reduced to £127,080 at 31st March and is expected to be cleared during the current financial year.

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

| | 31/03/2023 £ | 31/03/2022 £ |
|--|-----------------|-----------------|
| Bank loans | | 14,751 |
| The balance of the bank loan was cleared on 25th August 2022 | | |

14. Secured debts

The following secured debts are included within creditors:

| | 31/03/2023 £ | 31/03/2022 £ |
|------------|-----------------|-----------------|
| Bank loans | | 18,559 |

The bank loan was repaid in full on 2nd August 2022.

15. Analysis of changes in Net debt

| | Balance at 1 April 2022 £ | Cash-Flows £ | Balance at 31 March 2023 £ |
|--|---------------------------------|-----------------|----------------------------------|
| Cash | <u>694,536</u> | <u>12,378</u> | <u>706,914</u> |
| Loans falling due within one year | (3,808) | 3,808 | |
| Loans falling due after more than one year | <u>(14,751)</u> | <u>14,751</u> | |
| | <u>(18,559)</u> | <u>18,559</u> | |
| Total | <u>675,977</u> | <u>30,937</u> | <u>706,914</u> |

16. Calculation of Net free reserve

| | 31/03/2023 £ | 31/03/2022 £ |
|---|-----------------|-----------------|
| Total accumulated Funds per Balance sheet | 847,438 | 764,731 |
| Less restricted fund balances | (195,127) | (193,842) |
| Unrestricted funds | 652,311 | 570,889 |
| Less fixed assets | | |
| Fixed assets | (257,855) | (286,996) |
| Add back restricted fixed assets | 47,563 | 72,655 |
| Add mortgage over 1 year | | 14,751 |
| | (210,292) | (199,590) |
| | <u>442,019</u> | <u>371,299</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 expired in 2022 and is in the process of being renewed. The lease on the North Camp shop is in the process of being renewed. 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 2023 were as follows

| | 31/03/2023 £ | 31/03/2022 £ |
|--------------------|-----------------|-----------------|
| Annual commitments | | |
| 0-1 Year | 70,728 | 92,470 |
| 1-5 years | 219,850 | 231,679 |
| More than 5 years | 482,325 | 532,892 |

18. Movement in funds

| | | Balance at 31/03/2022 £ | Net movement in funds £ | Balance at 31/03/2023 £ |
|---|----------------|-------------------------------|-------------------------------|-------------------------------|
| Unrestricted funds | | | | |
| General fund | 498,767 | 498,767 | 81,422 | 580,189 |
| Freehold revaluation and fair value reserve | 72,122 | 72,122 | | 72,122 |
| | 570,889 | 570,889 | 81,422 | 652,311 |
| Restricted funds - Fixed assets | | | | |
| Whetstone Road - Fixed Assets | 16,899 | 16,899 | (3,075) | 13,824 |
| St Martins - fixed assets | 5,610 | 5,610 | (997) | 4,613 |
| Salisbury Grove - fixed assets | 21,273 | 21,273 | (2,592) | 18,681 |
| New minibus | 28,386 | 28,386 | (11,033) | 17,353 |
| | 72,168 | 72,168 | (17,697) | 54,471 |
| Restricted funds | | | | |
| Whetstone Road | 14,879 | 14,879 | (455) | 14,424 |
| St Martins | 12,776 | 12,776 | 1,047 | 13,823 |
| Salisbury Grove | 7,434 | 7,434 | 329 | 7,763 |
| Minibus running expenses | 5,000 | 5,000 | 4,000 | 9,000 |
| Music therapy | 11,492 | 11,492 | 2,067 | 13,559 |
| Therapy | 3,698 | 3,698 | (198) | 3,500 |
| Day service funds | 6,479 | 6,479 | 84 | 6,563 |
| Musical instruments | 373 | 373 | | 373 |
| Teen Activity Scheme | 100 | 100 | (100) | |
| CoVid Grants | 693 | 693 | (792) | (99) |
| Restricted donations into new building fund | 58,750 | 58,750 | 13,000 | 71,750 |
| | 121,674 | 121,674 | 18,982 | 140,656 |
| TOTAL FUNDS | 764,731 | 764,731 | 82,707 | 847,438 |

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

| | Incoming resources £ | Resources expended £ | Net movement in funds £ |
|---|----------------------------|----------------------------|-------------------------------|
| Unrestricted funds | | | |
| General fund | 1,684,352 | 1,602,930 | 81,422 |
| Freehold revaluation and fair value reserve | 1,684,352 | 1,602,930 | 81,422 |
| Restricted funds - Fixed assets | | | |
| Whetstone Road - Fixed assets | | 3,075 | (3,075) |
| St Martins - fixed assets | | 997 | (997) |
| Salisbury Grove - fixed assets | | 2,592 | (2,592) |
| New minibus | | 11,033 | (11,033) |
| | | 17,697 | (17,697) |
| Restricted funds | | | |
| Whetstone Road | 2,601 | 3,056 | (455) |
| St Martins | 1,717 | 670 | 1,047 |
| Salisbury Grove | 329 | | 329 |
| Minibus running expenses | 15,000 | 11,000 | 4,000 |
| Music therapy | 13,452 | 11,385 | 2,067 |
| Therapy | 5 | 203 | (198) |
| Day service funds | | (84) | 84 |
| Musical instruments | | | |
| Teen Activity Scheme | | 100 | (100) |
| CoVid Grants | | 792 | (792) |
| Restricted donations into new building fund | 13,000 | | 13,000 |
| | 46,104 | 27,122 | 18,982 |
| TOTAL FUNDS | 1,730,456 | 1,647,749 | 82,707 |

19. POST BALANCE SHEET EVENTS

We are in communicating with our funders on how we repay the surplus funding, in a number of cases this will be achieved by adding a discount to ongoing fee invoices.

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

