

Charity Registration No. 1078686

Company Registration No. 3707017 (England and Wales)

SOUTHEND MENCAP

(A COMPANY LIMITED BY GUARANTEE)

ANNUAL REPORT AND UNAUDITED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2021

SOUTHEND MENCAP
(A COMPANY LIMITED BY GUARANTEE)
LEGAL AND ADMINISTRATIVE INFORMATION

| | |
|-----------------------------|--|
| Trustees | C Hebden MBE L Nardone G Treadwell K Coates K Miglorini S Walsh W Wilson |
| Secretary | C Hebden MBE |
| Charity number | 1078686 |
| Company number | 3707017 |
| Principal address | The Harvey Centre 100 London Road Southend on Sea Essex SS1 1PG |
| Registered office | The Harvey Centre 100 London Road Southend on Sea Essex SS1 1PG |
| Independent examiner | P A Stafford FCCA 457 Southchurch Road Southend on Sea Essex SS1 2PH |
| Bankers | CAF Bank Limited 25 Kings Hill Avenue Kings Hill West Malling Kent ME19 4JQ |

**SOUTHEND MENCAP
(A COMPANY LIMITED BY GUARANTEE)
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SOUTHEND MENCAP
(A COMPANY LIMITED BY GUARANTEE)
STATEMENT OF DIRECTORS' AND TRUSTEES' RESPONSIBILITIES
FOR THE YEAR ENDED 31 MARCH 2021

The trustees, who are also the directors of Southend Mencap for the purpose of company law, are responsible for preparing the Directors' And Trustees' Report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

Company Law requires the trustees to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the charity and of the incoming resources and application of resources, including the income and expenditure, of the charitable company for that year.

In preparing these financial statements, the trustees are required to:

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the 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 charity will continue in operation.

The trustees are responsible for keeping adequate accounting records that disclose with reasonable accuracy at any time the financial position of the 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.

SOUTHEND MENCAP
(A COMPANY LIMITED BY GUARANTEE)
DIRECTORS' AND TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT)
FOR THE YEAR ENDED 31 MARCH 2021

The trustees present their annual report and financial statements for the year ended 31 March 2021, for Southend Mencap (charity number: 1078686).

The financial statements have been prepared in accordance with the accounting policies set out in note 1 to the financial statements and comply with the charity's constitution, the Companies Act 2006 and "Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102)" (effective 1 January 2019).

Objectives and activities

The objectives are:

To serve the interests of children and adults with learning disability, and those of their families and carers, resident within Southend and the surrounding areas of Castlepoint, Rochford and Rayleigh.

To increase understanding, and public awareness, of the problems, and needs, of children and adults with learning disability, and their families and carers.

To introduce new, or already proven schemes, in the fields of education, training, social integration and employment.

To act as a pressure group, to stimulate local action, where the existing provision is inadequate, and to advocate for the needs of the learning disabled.

The aims of the charity are:

To work towards the full integration and acceptance of learning disabled children and adults into the open community.

To be a forward thinking and innovative society and to co-operate with other organisations and Royal Mencap in furtherance of these objectives.

To raise adequate funds for the achievement of the foregoing objectives and to invite and receive grants, contributions, donations and subscriptions.

To act always in conformity with the laws governing charities and with the Charity Commission.

The trustees are aware of their duty under S.17 of the Charities Act 2011 to have due regard to the Public Benefit Guidance published by the Charity Commission. As such, the trustees ensure that the activities of the charity are for the public benefit.

Achievements and performance

This year has without doubt been the most challenging for the society as the Coronavirus pandemic took hold of the country and the world. However, from feeling incredibly concerned as to what the future would hold for us when this all started back in late March 2020, the trustees are delighted to advise that as the country finally came out of it's third lockdown in March 2021, the society and our students' futures were definitely looking a lot healthier.

From the 1st April through until late June, all our services and shops were closed with our staff on various levels of furlough. During this time, many of our amazing team took it upon themselves to find ways to not only keep in contact with our students and their families but also introduced some unique online services that became such a lifeline for the majority of our beneficiaries, especially during the first lockdown. Zoom meetings and also Zoom parties became readily available for students to gain access to with other staff arranging face to face 'door-step surprises' for those who had birthdays during lockdown.

**SOUTHEND MENCAP
(A COMPANY LIMITED BY GUARANTEE)
DIRECTORS' AND TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT)
(CONTINUED)**

FOR THE YEAR ENDED 31 MARCH 2021

Our advocates and family support worker became 'masters of the Zoom call' as we very quickly found out during the first lockdown that the vast majority of parents/families of our students had basically been left stranded by the local authority. Although services etc had to be closed, families still needed support and, due to the isolation caused by the lockdowns, this support was more vital than ever just to maintain their personal mental health and well-being. For some reason, hardly any families heard from any of their social workers but fortunately, our advocates and family support worker were able to keep in regular contact with their existing clients, as well as be able to start supporting new clients, via Zoom, telephone and email.

When our shops were able to re-open in late June, all of them were inundated with donations from the local community. However, with the way the virus spreads etc, whereas in the past a bag of donated clothes could be sorted by our volunteers immediately, a 72 hour waiting process had to now take place for everything that was brought into the shops, which resulted in all shops having literally no space available for many months whilst the donations kept coming in and being stored waiting for the 72 hours to pass. This was also the same in The Novel Coffee Shop with all the donated books, DVDs etc but thankfully we had the upstairs flat that we now have the use of and this allowed our team to begin moving the mass overflow of stock into the flat ready for when we could eventually open it up to the public. The excess of work that all the shop volunteers had to do to ensure all premises and donations were kept clean and free from the virus was nothing short of exemplary and the trustees are forever grateful to them all for the tireless dedication and support they gave even during the most uncertain of times for us all.

During the time the shops were closed, the society received business support grants from the Government via Southend Council and although these greatly assisted in covering our continued costs that still needed to be paid during lockdown, we still lost significant income when basing these grants against the usual shops income we would have received. When it was time to re-open, however, not only did the level of donations increase mentioned previously but so did the level of income as all shops did a marvellous trade between late June and the start of November, which was when the next lockdown hit. So, even though the shops were only able to open for four and a half months during this reporting year, they actually generated closer to six months' worth of income, which was staggering.

As for our services, some of these first began to re-open in mid July with Music Man and Showstoppers both doing several weeks of summer sessions. To ensure the safety of our students who could and were happy to return, we needed to introduce a whole host of safety requirements such as temperature checks upon arrival, the wearing of face masks/coverings, no sharing of instruments or equipment, social distancing for all students including no physical contact permitted except between students and their PAs/carers and a constant level of cleaning needed to be undertaken throughout every session by the staff and volunteers. We even had to hold off from singing until the Autumn as it wasn't known until then what effect singing had on helping to spread the virus. Despite these restrictions, the joy on the faces of those students who returned to our services was clear to see and, having gate-crashed a number of sessions myself, I was able to see first hand just how beneficial it was to our wonderful students in having some of their activities back.

MODS, 16+ and Play & Respite then returned in September and for a period of four months through until early December, we had about 60% of our usual student attendance accessing the services we could re-open and even though the level of income from the students' fees was down on what we would ordinarily have if the pandemic had not happened, it wasn't down by much as many students increased the number of days per week they accessed our services.

Sadly, though, when the next lockdown was announced in December, we once again had to close all shops and services but again we had the business support grants and job retention scheme payments from the Government to ensure all wages and overheads could continue to be paid and this time there was a greater level of online sessions available to the students to access so they could still have fun and laughter whilst having to stay safely indoors as the infection rate remained high during the winter months.

SOUTHEND MENCAP
(A COMPANY LIMITED BY GUARANTEE)
DIRECTORS' AND TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT)
(CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2021

Eventually, in early March, Music Man, Showstoppers, MODS, 16+ and Play & Respite all were able to re-open again and we are greatly hoping that with the vaccine being distributed incredibly quickly to our students, as well as our staff too, that this will be the last re-start we have to do and that in time, all the safety and social distancing requirements can be dropped too.

As for the shops re-opening after the latest lockdown, all re-opened for business again on Monday 12th April 2021, although The Novel Coffee Shop was only open for the bookshop part and any takeaway drinks orders. Providing the 'roadmap out of lockdown' continued to go to plan, then The Novel Coffee Shop will fully re-open on 17th May 2021.

Financial review

Despite the severe uncertainty that enveloped the whole country at the start of the financial year, the financial support provided by the Government not only ensured the society's safety but actually allowed us to report on a small profit for the first time in three years. As such, the Executive Committee continues to be very confident on the long term future for the society especially as Southend Mencap is the residual beneficiary of a Will left by a former long standing member of the society that is due to be finalised later in 2021.

Currently the society's reserves policy is that unrestricted funds which have not been designated for a specific use be maintained at a level equivalent to three months' expenditure. There is, however, a caveat to that with the society's longer term aim to increase this to a level equivalent to six months' expenditure and, once our Novel Coffee Shop not only fully re-opens following the Coronavirus pandemic but actually expands into the property upstairs that the society has now taken over, the trustees are very confident that this caveat in our reserves policy can start to be realised.

For the financial year, annual expenditure was equal to £440,298. Three months' of expenditure would approximate as £110,074. At the balance sheet date, the reserves balance sat at £132,761 so just slightly over three months' expenditure, the reserves balance has increased by nearly £30,000 from the previous year's reserves balance showing that the society is progressing well financially despite the very difficult and challenging year.

Even through all the time our shops and services were closed, there was still opportunities to secure other grants and progress with our plan to extend The Novel Coffee Shop into the upstairs property that we took on back in January of 2020. Three of the grants secured totalling £8,135.00 from The Edward Gostling Foundation, Charles S French Charitable Trust and National Lottery Community Fund, enabled us to purchase a wealth of new furniture and kitchen equipment in readiness for the coffeeshop expansion.

In addition, we were also able to secure a much needed £10,000 from a Charitable Trust who prefers to remain anonymous, which had the rarity of being an unrestricted grant as this particular funder had changed their programme during the pandemic and were only offering previously supported organisations with financial support if they could prove a significant financial loss as a direct result of the pandemic. When we had to go back into lockdown in November and then again from mid December, we were able to show a significant financial loss to the society, which then resulted in this Charitable Trust making a £10,000 unrestricted grant.

Finally, on the grants front, our three year grant with The National Lottery Community Fund came to an end in September 2020 but, thankfully, we had our continuation funding application to them not only accepted but actually increased from what we had originally applied for. Our application was for a further three years' funding totalling just over £51,000. However, at the assessment stage, our grant advisor called to see if we would be interested in having the continuation grant for 5 years as that had been suggested by their funding panel. This was a scenario we had never experienced previously with any funding organisation so, once our grant advisor assured us there was no catch and this was a genuine offer from the funding panel, it resulted in the society securing continuation funding from The National Lottery Community Fund totalling £89,000 over 5 years.

**SOUTHEND MENCAP
(A COMPANY LIMITED BY GUARANTEE)
DIRECTORS' AND TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT)
(CONTINUED)**

FOR THE YEAR ENDED 31 MARCH 2021

These additional grants secured were nothing short of God-sends during the past year as not only had our shops income and student fees income been significantly impacted by the six months of closure to the business, none of our annual fundraising events could take place either. The Chinese night at Zen City, the Summer Ball at The Roslin Beach Hotel, the Genting Lunch and entertainment, the week long fair at Chalkwell Park and the MODS two night performance at The Palace Theatre all had to be cancelled resulting in an estimated further loss to the society of around £13,000.

The trustees have assessed the major risks to which the charity is exposed, and are satisfied that systems are in place to mitigate exposure to the major risks.

Structure, governance and management

The charity is a company limited by guarantee and is, therefore, governed by a memorandum and articles of association.

The trustees, who are also the directors for the purpose of company law, and who served during the year and up to the date of signature of the financial statements were:

C Hebden MBE

L Nardone

G Treadwell

K Coates

K Miglorini

S Walsh

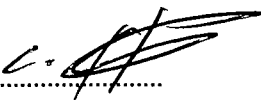
W Wilson

The board of trustees has the power to appoint and remove trustees on a majority basis, with the chairman C Hebden having the deciding vote where necessary.

None of the trustees has any beneficial interest in the company.

The charity is organised so that trustees meet regularly to manage its affairs. M. McOwen is a full time support administrator, who implements the decisions of the trustees, overseeing the day to day running of the charity and organising fundraising and applications for grants etc. There is also one full time shop manager, a part-time assistant shop manager and two part-time job sharing office support administration assistants. In addition it has one full time and one part time advocates for the learning disabled, and their families, together with a part time Family Information Officer. There are some twenty two employees who run various activities for the learning disabled. These are a mixture of full and part time staff. We are also very grateful to all our volunteer workers, without whom the Society could not function.

The Directors' and trustees' report was approved by the Board of Trustees.


.....

Director and Trustee

Date: 7-12-21

**SOUTHEND MENCAP
(A COMPANY LIMITED BY GUARANTEE)
INDEPENDENT EXAMINER'S REPORT
TO THE TRUSTEES OF SOUTHEND MENCAP**

I report to the trustees on my examination of the financial statements of Southend Mencap (the charity) for the year ended 31 March 2021.

Responsibilities and basis of report

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

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

Independent examiner's statement

Since the charity's gross income exceeded £250,000 your examiner must be a member of a body listed in section 145 of the 2011 Act. I confirm that I am qualified to undertake the examination because I am a member of Association of Chartered Certified Accountants, which is one of the listed bodies.

I have completed my examination. I confirm that no matters have come to my attention in connection with the examination giving me cause to believe that in any material respect:

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

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



P A Stafford FCCA

457 Southchurch Road
Southend on Sea
Essex
SS1 2PH

Dated: 19/12/21.

SOUTHEND MENCAP
(A COMPANY LIMITED BY GUARANTEE)
STATEMENT OF FINANCIAL ACTIVITIES
INCLUDING INCOME AND EXPENDITURE ACCOUNT
FOR THE YEAR ENDED 31 MARCH 2021

| | Notes | Unrestricted funds 2021 £ | Restricted funds 2021 £ | Total Unrestricted funds 2021 £ | Restricted funds 2020 £ | Total 2020 £ |
|---|-------|------------------------------------|----------------------------------|--|----------------------------------|--------------------|
| Income from: | | | | | | |
| Donations and legacies | 3 | 1,622 | 8,351 | 9,973 | 13,076 | 75,736 |
| Charitable activities | 4 | 109,352 | 301,651 | 411,003 | 17,288 | 381,881 |
| Other trading activities | 5 | 55,811 | 195 | 56,006 | 118,821 | 118,821 |
| Total income | | 166,785 | 310,197 | 476,982 | 427,253 | 576,438 |
| Expenditure on: | | | | | | |
| Raising funds | 6 | 99,296 | - | 99,296 | 90,594 | 90,594 |
| Charitable activities | 7 | 45,219 | 295,782 | 341,001 | 90,138 | 528,725 |
| Total resources expended | | 144,515 | 295,782 | 440,297 | 438,587 | 619,319 |
| Net incoming/(outgoing) resources before transfers | | 22,270 | 14,415 | 36,685 | (31,547) | (42,881) |
| Gross transfers between funds | | (2,043) | 2,043 | - | (1,566) | - |
| Net income/(expenditure) for the year/ Net movement in funds | | 20,227 | 16,458 | 36,685 | (9,768) | (42,881) |
| Fund balances at 1 April 2020 | | 110,094 | (14,017) | 96,077 | (4,249) | 138,958 |
| Fund balances at 31 March 2021 | | 130,321 | 2,441 | 132,762 | (14,017) | 96,077 |

The statement of financial activities includes all gains and losses recognised in the year.

All income and expenditure derive from continuing activities.

The statement of financial activities also complies with the requirements for an income and expenditure account under the Companies Act 2006.

SOUTHEND MENCAP
(A COMPANY LIMITED BY GUARANTEE)
BALANCE SHEET
AS AT 31 MARCH 2021

| | Notes | 2021 £ | £ | 2020 £ | £ |
|---|-------|-----------------|----------------|-----------------|---------------|
| Fixed assets | | | | | |
| Tangible assets | 11 | | 139,275 | | 147,760 |
| Current assets | | | | | |
| Debtors | 12 | 13,677 | | 10,317 | |
| Cash at bank and in hand | | 9,938 | | 100 | |
| | | <u>23,615</u> | | <u>10,417</u> | |
| Creditors: amounts falling due within one year | 14 | <u>(30,128)</u> | | <u>(62,100)</u> | |
| Net current liabilities | | | (6,513) | | (51,683) |
| Total assets less current liabilities | | | <u>132,762</u> | | <u>96,077</u> |
| Income funds | | | | | |
| Restricted funds | 15 | | 2,441 | | (14,017) |
| Unrestricted funds | | | 130,321 | | 110,094 |
| | | | <u>132,762</u> | | <u>96,077</u> |

The company is entitled to the exemption from the audit requirement contained in section 477 of the Companies Act 2006, for the year ended 31 March 2021.

The directors acknowledge their responsibilities for complying with the requirements of the Companies Act 2006 with respect to accounting records and the preparation of financial statements.

The members have not required the company to obtain an audit of its financial statements for the year in question in accordance with section 476.

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

The financial statements were approved by the Trustees on 7.12.21



Trustee

Company Registration No. 3707017

SOUTHEND MENCAP
(A COMPANY LIMITED BY GUARANTEE)
STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 31 MARCH 2021

| | Notes | 2021 £ | £ | 2020 £ | £ |
|---|-------|-----------|--------|-----------|---------|
| Cash flows from operating activities | | | | | |
| Cash generated from operations | 18 | | 10,761 | | 304 |
| Net cash used in investing activities | | | - | | - |
| Net cash used in financing activities | | | - | | - |
| Net increase in cash and cash equivalents | | | 10,761 | | 304 |
| Cash and cash equivalents at beginning of year | | | (823) | | (1,127) |
| Cash and cash equivalents at end of year | | | 9,938 | | (823) |
| Relating to: | | | | | |
| Cash at bank and in hand | | | 9,938 | | 100 |
| Bank overdrafts included in creditors payable within one year | | | - | | (923) |

SOUTHEND MENCAP
(A COMPANY LIMITED BY GUARANTEE)
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2021

1 Accounting policies

Charity information

Southend Mencap is a private company limited by guarantee incorporated in England and Wales. The registered office is The Harvey Centre, 100 London Road, Southend on Sea, Essex, SS1 1PG.

1.1 Accounting convention

The financial statements have been prepared in accordance with the charity's governing document, the Companies Act 2006 and "Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2019)". The charity is a Public Benefit Entity as defined by FRS 102.

The financial statements are prepared in sterling, which is the functional currency of the charity. Monetary amounts in these financial statements are rounded to the nearest £.

The financial statements have been prepared under the historical cost convention. The principal accounting policies adopted are set out below.

1.2 Going concern

At the time of approving the financial statements, the trustees have a reasonable expectation that the charity has adequate resources to continue in operational existence for the foreseeable future. The trustee's recognise there are no material uncertainties about the entity's ability to continue and thus the trustees continue to adopt the going concern basis of accounting in preparing the financial statements.

This view is supported by the approval of grant funding receivable over the next five years to support specific projects.

1.3 Charitable funds

Unrestricted funds are available for use at the discretion of the trustees in furtherance of their charitable objectives.

Restricted funds are subject to specific conditions by donors as to how they may be used. The purposes and uses of the restricted funds are set out in the notes to the financial statements.

Endowment funds are subject to specific conditions by donors that the capital must be maintained by the charity.

1.4 Income

Income is recognised when the charity is legally entitled to it after any performance conditions have been met, the amounts can be measured reliably, and it is probable that income will be received.

Cash donations are recognised on receipt. Other donations are recognised once the charity has been notified of the donation, unless performance conditions require deferral of the amount. Income tax recoverable in relation to donations received under Gift Aid or deeds of covenant is recognised at the time of the donation.

Legacies are regarded as receivable when the rights of ownership have been transferred to the charity.

Assets for distribution are recognised only when distributed. Assets given for use by the charity are recognised when receivable. Stocks of undistributed donated goods are not valued for balance sheet purposes.

SOUTHEND MENCAP
(A COMPANY LIMITED BY GUARANTEE)
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2021

1 Accounting policies

(Continued)

Grant income is recognised when the charity is legally entitled to it after any performance conditions have been met, the amounts can be measured reliably, and it is probable that income will be received

Trading income is recognised when the sale occurs to the customer, and is shown after discounts and net of VAT.

1.5 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:

Costs of generating funds include the costs of commercial trading activities and its associated support cost and fundraising costs incurred in inducing people and organisations to contribute financially to the charity's work, this includes the cost of advertising for donations and the staging of special fundraising events and all associated support costs.

Expenditure on charitable activities includes all expenditure directly related to activities undertaken to further the purpose and achieve the objectives of the charity and their associated support costs.

Other expenditure represents those items not falling into any other heading.

Support costs are those functions that assist in the work of the charity but do not directly undertake charitable activities. Support costs include back office costs, finance, personnel, payroll and governance costs which support the charities programmes and activities. These costs have been allocated to expenditure on charitable activities. The basis on which support costs have been allocated are set out in note 8.

1.6 Tangible fixed assets

Tangible fixed assets are initially measured at cost and subsequently measured at cost or valuation, net of depreciation and any impairment losses.

Tangible fixed assets are stated at cost less depreciation. Items costing below £100 are not capitalised. Depreciation is provided at rates calculated to write off the cost less estimated residual value of each asset over its expected useful life, as follows:

| | |
|--------------------------------|------------------------------|
| Leasehold property | Over length of 99 year lease |
| Plant and machinery | 40% reducing balance |
| Fixtures, fittings & equipment | 15 - 40% reducing balance |
| Motor vehicles | 25% reducing balance |

The gain or loss arising on the disposal of an asset is determined as the difference between the sale proceeds and the carrying value of the asset, and is recognised in the statement of financial activities.

1.7 Impairment of fixed assets

At each reporting end date, the charity reviews the carrying amounts of its tangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any).

SOUTHEND MENCAP
(A COMPANY LIMITED BY GUARANTEE)
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2021

1 Accounting policies

(Continued)

1.8 Cash and cash equivalents

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

1.9 Financial instruments

The charity has elected to apply the provisions of Section 11 'Basic Financial Instruments' and Section 12 'Other Financial Instruments Issues' of FRS 102 to all of its financial instruments.

Financial instruments are recognised in the charity's balance sheet when the charity becomes party to the contractual provisions of the instrument.

Financial assets and liabilities are offset, with the net amounts presented in the financial statements, when there is a legally enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

Basic financial assets

Basic financial assets, which include debtors and cash and bank balances, are measured at transaction price including transaction costs unless the arrangement constitutes a financing transaction, where the transaction is measured at the present value of the future receipts discounted at a market rate of interest. Financial assets classified as receivable within one year are not amortised.

Basic financial liabilities

Basic financial liabilities, including creditors and bank loans are recognised at transaction price unless the arrangement constitutes a financing transaction, where the debt instrument is measured at the present value of the future payments discounted at a market rate of interest. Financial liabilities classified as payable within one year are not amortised.

Trade creditors are obligations to pay for goods or services that have been acquired in the ordinary course of operations from suppliers. Amounts payable are classified as current liabilities if payment is due within one year or less. If not, they are presented as non-current liabilities. Trade creditors are recognised at transaction price.

Derecognition of financial liabilities

Financial liabilities are derecognised when the charity's contractual obligations expire or are discharged or cancelled.

1.10 Employee benefits

The cost of any unused holiday entitlement is recognised in the period in which the employee's services are received.

Termination benefits are recognised immediately as an expense when the charity is demonstrably committed to terminate the employment of an employee or to provide termination benefits.

1.11 Retirement benefits

Payments to defined contribution retirement benefit schemes are charged as an expense as they fall due.

| | Unrestricted funds | Restricted funds | Total | Unrestricted funds | Restricted funds | Total |
|---------------------|--------------------|------------------|-----------|--------------------|------------------|-----------|
| | 2021 £ | 2021 £ | 2021 £ | 2020 £ | 2020 £ | 2020 £ |
| Donations and gifts | 1,622 | 8,351 | 9,973 | 13,076 | 62,660 | 75,736 |

SOUTHEND MENCAP
(A COMPANY LIMITED BY GUARANTEE)
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2021

4 Charitable activities

| | 2021 £ | 2020 £ |
|-----------------------------------|----------------|----------------|
| Membership fees | 59,636 | 143,881 |
| Programme & Merchandise income | 172 | 69,504 |
| Performance related grants | 351,195 | 168,496 |
| | <u>411,003</u> | <u>381,881</u> |
| Analysis by fund | | |
| Unrestricted funds | 109,352 | 17,288 |
| Restricted funds | 301,651 | 364,593 |
| | <u>411,003</u> | <u>381,881</u> |
| Performance related grants | | |
| Income under furlough scheme | 127,538 | - |
| Business Support | 71,003 | - |
| Other Performance related grants | 152,654 | 168,496 |
| Other | - | - |
| | <u>351,195</u> | <u>168,496</u> |

Charitable trading income

In the current year a total of £198,541 (2020: £ nil) was received in government grants in response to the coronavirus pandemic. This amount is made up of £127,538 in relation to the furlough job retention scheme and £71,003 in relation to business support grants.

These grants represent business support for periods of enforced closure of premises and trade. These grants were due upon receipt and no additional performance conditions were applied or were outstanding at the year end. The entity has received no other direct government support in the year.

5 Other trading activities

| | Unrestricted funds | Restricted funds | Total | Unrestricted funds |
|-----------------------------------|-----------------------|---------------------|---------------|-----------------------|
| | 2021 £ | 2021 £ | 2021 £ | 2020 £ |
| Non-charitable trading activities | <u>55,811</u> | <u>195</u> | <u>56,006</u> | <u>118,821</u> |

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6 Raising funds

| | Unrestricted funds | Unrestricted funds |
|----------------------------------|-----------------------|-----------------------|
| | 2021 £ | 2020 £ |
| <u>Fundraising and publicity</u> | | |
| Depreciation and impairment | 8,252 | 10,571 |
| <u>Trading costs</u> | | |
| Other trading activities | 31,295 | 20,265 |
| Staff costs | 32,561 | 32,266 |
| Support costs | 27,188 | 27,492 |
| Trading costs | 91,044 | 80,023 |
| | 99,296 | 90,594 |

7 Charitable activities

| | Direct charitable expenditure 2021 £ | Direct charitable expenditure 2020 £ |
|--|--|--|
| Staff costs | 276,936 | 309,085 |
| Depreciation and impairment | 232 | 379 |
| Other direct charitable expenditure | 21,935 | 144,908 |
| | 299,103 | 454,372 |
| Share of support costs (see note 8) | 41,288 | 73,671 |
| Share of governance costs (see note 8) | 610 | 682 |
| | 341,001 | 528,725 |
| Analysis by fund | | |
| Unrestricted funds | 45,219 | 90,138 |
| Restricted funds | 295,782 | 438,587 |
| | 341,001 | 528,725 |

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| 8 Support costs | Support costs £ | Support Governance costs £ | 2021 £ | Support costs £ | Governance costs £ | 2020 £ | Basis of allocation |
|---|--------------------|----------------------------------|-----------|--------------------|--------------------------|-----------|---------------------|
| Staff costs | 21,558 | - | 21,558 | 17,226 | - | 17,226 | Time spent |
| Office supplies | 9,089 | - | 9,089 | 16,681 | - | 16,681 | Usage |
| Equipment hire, repairs and maintenance and water | 7,045 | - | 7,045 | 15,888 | - | 15,888 | Usage |
| Insurance | 8,732 | - | 8,732 | 10,624 | - | 10,624 | Usage |
| Telephone and fax | 2,818 | - | 2,818 | 5,729 | - | 5,729 | Usage |
| Computer expenses | 2,644 | - | 2,644 | 2,451 | - | 2,451 | Equal basis |
| Licences, permits and subscriptions and entertaining | 771 | - | 771 | 441 | - | 441 | Usage |
| Sundry | 1,153 | - | 1,153 | 1,759 | - | 1,759 | Usage |
| Rent | 132 | - | 132 | 305 | - | 305 | Usage |
| | 990 | - | 990 | 15,272 | - | 15,272 | Usage |
| | 10,084 | - | 10,084 | 10,924 | - | 10,924 | Usage |
| Accountancy | - | 3,800 | 3,800 | - | 4,100 | 4,100 | Governance |
| Legal and professional | - | 270 | 270 | - | 445 | 445 | Governance |
| | 65,016 | 4,070 | 69,086 | 97,300 | 4,545 | 101,845 | |
| Analysed between | | | | | | | |
| Trading | 23,728 | 3,460 | 27,188 | 23,629 | 3,863 | 27,492 | |
| Charitable activities | 41,288 | 610 | 41,898 | 73,671 | 682 | 74,353 | |
| | 65,016 | 4,070 | 69,086 | 97,300 | 4,545 | 101,845 | |

Governance costs include payments to the independent examiner of £3,800 (2020- £4,100).

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9 Trustees

None of the trustees (or any persons connected with them) received any reimbursement for expenses during the year

Remuneration was paid to the following trustees for services provided to the Charity during the year; £4,571 (2020: £4,571) to L Nardone and £0 (2020: £375) to G Treadwell. Due to their employment status these are non-voting trustees.

10 Employees

The average monthly number of employees during the year was:

| | 2021 Number | 2020 Number |
|-----------------------------|----------------|----------------|
| Trading | 4 | 4 |
| Advocacy | 4 | 4 |
| Other charitable activities | 15 | 23 |
| Administration | 2 | 3 |
| Total | 25 | 34 |

| Employment costs | 2021 £ | 2020 £ |
|-----------------------|-----------|-----------|
| Wages and salaries | 310,211 | 334,749 |
| Social security costs | 16,055 | 18,854 |
| Other pension costs | 4,789 | 4,974 |
| | 331,055 | 358,577 |

The number of employees has reduced this year due to the impact of Covid-19 on the provision of services. It is expected that staff numbers will return to pre-pandemic levels once all restrictions are lifted.

The full time equivalent of the total part time staff was 9 for the year (2020: 11).

The number of employees whose annual remuneration was more than £60,000 is as follows:

| | 2021 Number | 2020 Number |
|-----------------|----------------|----------------|
| 60,000 - 65,000 | 1 | 1 |

The employee whose emoluments exceed £60,000, also has £1,313 (2020: £1,316) retirement benefits accruing under defined contribution pension schemes.

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11 Tangible fixed assets

| | Leasehold property | Plant and machinery | Fixtures, fittings & equipment | Motor vehicles | Total |
|------------------------------------|-----------------------|------------------------|-----------------------------------|----------------|---------|
| | £ | £ | £ | £ | £ |
| Cost | | | | | |
| At 1 April 2020 | 130,000 | 14,991 | 7,422 | 102,295 | 254,708 |
| At 31 March 2021 | 130,000 | 14,991 | 7,422 | 102,295 | 254,708 |
| Depreciation and impairment | | | | | |
| At 1 April 2020 | 10,725 | 14,495 | 7,118 | 74,610 | 106,948 |
| Depreciation charged in the year | 1,300 | 198 | 66 | 6,921 | 8,485 |
| At 31 March 2021 | 12,025 | 14,693 | 7,184 | 81,531 | 115,433 |
| Carrying amount | | | | | |
| At 31 March 2021 | 117,975 | 298 | 238 | 20,764 | 139,275 |
| At 31 March 2020 | 119,275 | 496 | 304 | 27,685 | 147,760 |

12 Debtors

| | 2021 £ | 2020 £ |
|---|-----------|-----------|
| Amounts falling due within one year: | | |
| Trade debtors | 3,563 | 6,502 |
| Prepayments and accrued income | 10,114 | 3,815 |
| | 13,677 | 10,317 |

13 Loans and overdrafts

| | 2021 £ | 2020 £ |
|-------------------------|-----------|-----------|
| Bank overdrafts | - | 923 |
| Payable within one year | - | 923 |

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14 Creditors: amounts falling due within one year

| | Notes | 2021 £ | 2020 £ |
|------------------------------------|--------------|-------------------|-------------------|
| Bank overdrafts | 13 | - | 923 |
| Other taxation and social security | | 4,213 | 23,070 |
| Trade creditors | | 4,579 | 2,899 |
| Other creditors | | 16,964 | 30,064 |
| Accruals and deferred income | | 4,372 | 5,144 |
| | | <u>30,128</u> | <u>62,100</u> |

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15 Restricted funds

The income funds of the charity include restricted funds comprising the following unexpended balances of donations and grants held on trust for specific purposes:

| | Balance at 1 April 2019 £ | Movement in funds | | Transfers | Balance at 1 April 2020 £ | Movement in funds | | Transfers | Balance at 31 March 2021 £ |
|-------------------------|---------------------------------|----------------------------|----------------------------|-----------|---------------------------------|----------------------------|----------------------------|-----------|----------------------------------|
| | | Incoming resources £ | Resources expended £ | £ | | Incoming resources £ | Resources expended £ | £ | |
| Advocacy | (6,053) | 34,314 | (36,714) | 1,941 | (6,512) | 41,011 | (36,703) | 331 | (1,873) |
| Big lottery | (606) | 24,260 | (23,727) | - | (73) | 20,770 | (20,772) | - | (75) |
| Top cats | (811) | 4,559 | (4,722) | - | (974) | - | - | - | (974) |
| Club 16+ | 28 | 9,927 | (8,737) | (1,375) | (157) | 6,857 | (8,180) | 548 | (932) |
| Family play and respite | (4,487) | 38,259 | (42,520) | - | (8,748) | 37,898 | (29,179) | - | (29) |
| Family support worker | 281 | 10,700 | (13,496) | - | (2,515) | 15,955 | (12,831) | (331) | 278 |
| Friendship group | (120) | 2,387 | (1,345) | (1,320) | (398) | 177 | - | (60) | (281) |
| MODS | (131) | 16,960 | (16,344) | 2,233 | 2,718 | 2,082 | (6,640) | 365 | (1,475) |
| Music Man Project | 1,714 | 183,014 | (193,436) | 2,460 | (6,248) | 91,950 | (97,602) | 1,667 | (10,233) |
| Music School | 1,674 | 3,026 | (3,175) | - | 1,525 | 88 | - | - | 1,613 |
| Music Supplies | (841) | 3,426 | (3,715) | - | (1,130) | 513 | (607) | - | (1,224) |
| Palladium Concert | 3,934 | - | - | - | 3,934 | - | - | - | 3,934 |
| Showstoppers | 737 | 47,892 | (49,625) | (1,968) | (2,964) | 54,958 | (48,906) | (477) | 2,611 |
| SMASH | 63 | 4,464 | (3,940) | - | 587 | - | - | - | 587 |
| TFC | (1,273) | 11,846 | (11,046) | - | (249) | 14,000 | (14,000) | - | (249) |
| Transitional Advocate | 3,687 | 3,998 | (4,908) | (405) | (473) | 13,706 | (10,508) | - | 2,725 |
| Compatibles | 2,963 | - | (2,425) | (860) | 2,372 | 2,624 | (3,538) | - | 1,458 |
| Annual Fundraiser Pot | - | 823 | - | - | (1,796) | - | - | - | (1,796) |
| Yoga | - | 11,761 | (4,677) | - | 7,084 | 7,609 | (6,317) | - | 8,376 |
| | (4,249) | 427,253 | (438,587) | 1,566 | (14,017) | 310,198 | (295,783) | 2,043 | 2,441 |

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15 Restricted funds

(Continued)

The Big Lottery Fund and Lloyds TSB Foundation are separated as a requirement of the funders to identify the income and expenses relating to the grants. The other funds have membership fees specific to the activities carried out under that heading. Any balances at the year end are to cover future costs for those activities.

There are no restrictions imposed on the funds apart from those stated above. No grant income is transferred. The balance of membership income is occasionally moved between funds as agreed by the committee and allowed by the terms of the income.

There are restricted funds showing an overdrawn amount at the year end that can be explained as follows;

Advocacy (£1,872): This fund should be considered in conjunction with Lloyds TSB Foundation as both of these funds relate to the advocacy service. This fund is in deficit during to timing differences of income and expenditure and is expected to return to a surplus position in the next financial year.

Big Lottery (£75): The the small overdrawn amount relates to an additional spend required on premises hire in the year but the amount has since been cleared.

Top cats (£974): This fund will always show a year end overdrawn amount as the income that covers the costs, namely the students' weekly fees, gets paid in on a monthly basis so the deficit clears after the year end.

Club 16+ (£932): This will always show an overdrawn amount as the income that covers the costs, namely the students weekly fees, gets paid on a monthly basis and so the deficit clears after the year end.

Family play and respite (£29): This overspend will be cleared following receipt of grant funding shortly after the year end.

MODS (£1,475): This will always show an overdrawn amount as the income that covers the costs, namely the students weekly fees, gets paid on a bi-monthly basis and so the deficit clears after the year end.

Music Man Project (£10,232): This will always show an overdrawn amount as the income that covers the costs, namely the students weekly fees, gets paid on a monthly basis and so the deficit clears after the year end.

Friendship Group (£281): This will always show an overdrawn amount as the income that covers the costs, namely the students weekly fees, gets paid on a bi-monthly basis and so the deficit clears after the year end.

TFC (£249): This balance relates to a small overspend which is cleared after the year end.

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15 Restricted funds

(Continued)

During the year, the following transfers between restricted and unrestricted funds took place:

- Proceeds from Zen City fundraiser of £2,043 were transferred to Club 16+ and Music Mas Project from an unrestricted fund once all expenses had been paid.
- The other transfers relate to the allocation of room hire charges.

All transfers were agreed upon by the Trustees.

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16 Analysis of net assets between funds

| | Unrestricted funds 2021 £ | Restricted funds 2021 £ | Total 2021 £ | Unrestricted funds 2020 £ | Restricted funds 2020 £ | Total 2020 £ |
|--|------------------------------------|----------------------------------|--------------------|------------------------------------|----------------------------------|--------------------|
| Fund balances at 31 March 2021 are represented by: | | | | | | |
| Tangible assets | 138,871 | 404 | 139,275 | 147,124 | 636 | 147,760 |
| Current assets/ (liabilities) | (8,550) | 2,037 | (6,513) | (37,030) | (14,653) | (51,683) |
| | <u>130,321</u> | <u>2,441</u> | <u>132,762</u> | <u>110,094</u> | <u>(14,017)</u> | <u>96,077</u> |

17 Related party transactions

Remuneration of key management personnel

The remuneration of key management personnel is as follows.

| | 2021 £ | 2020 £ |
|------------------------|---------------|---------------|
| Aggregate compensation | <u>33,676</u> | <u>30,000</u> |

The following amounts were outstanding at the reporting end date:

| | Amounts owed to related parties | |
|--------------------------|---------------------------------|---------------|
| | 2021 £ | 2020 £ |
| Key management personnel | <u>16,000</u> | <u>28,000</u> |

At the balance sheet date the Charity owed Marc McOwens £16,000 following loans made by him to help support the cash flow position of the Charity.

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| 18 Cash generated from operations | 2021 | 2020 |
|--|---------------|-------------|
| | £ | £ |
| Surplus/(deficit) for the year | 36,685 | (42,881) |
| Adjustments for: | | |
| Depreciation and impairment of tangible fixed assets | 8,485 | 10,951 |
| Movements in working capital: | | |
| (Increase)/decrease in debtors | (3,360) | 26,101 |
| (Decrease)/increase in creditors | (31,049) | 6,133 |
| Cash generated from operations | 10,761 | 304 |

19 Analysis of changes in net funds/(debt)

The charity had no debt during the year.