

Charity registration number 1078686

Company registration number 3707017 (England and Wales)

SOUTHEND MENCAP
(A COMPANY LIMITED BY GUARANTEE)
ANNUAL REPORT AND UNAUDITED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2022

**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	Metro Bank One Southampton Row London WC1B 5HA

**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 2022**

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 2022**

The trustees present their annual report and financial statements for the year ended 31 March 2022, 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.

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

FOR THE YEAR ENDED 31 MARCH 2022

Achievements and performance

Although the year commenced with the country slowly starting to come out of lockdown, by late summer all but one of the society's activities had been able to restart albeit with a modicum of restrictions remaining in place to ensure all our wonderful students remained as safe as possible whilst finally being able to properly integrate back into both their services with us but also back into the community too.

Whereas the previous year had been a near write-off with all staff furloughed for at least eight months, staff slowly returned to their duties albeit some later than others or doing fewer hours whilst certain restrictions remained in place. Also, all our shops were able to re-open from the middle of April, which meant that there was little financial support available from the Government this year as both the Business Support Grants and Furlough Scheme were no longer options once we began to open all our service provision and shops.

This past year was all about getting back to 'normal' and nothing epitomised that more than having our amazing MODS drama group be able to return to The Palace Theatre in November for their two night annual performance. As the Omicron variant was still an uncertainty at that time, the level of attendance in the audience was lower than pre-pandemic shows but that did not stop the cast delivering two outstanding performances and receiving richly deserved standing ovations. What made the performance even more amazing was that the group had missed around four months of rehearsal time as a result of the lockdown from December 2020 to March 2021 and even once the group returned, restrictions required lower numbers to maintain the social distancing that remained in place until the summer, so the cast was actually around a dozen members down on what it should have been. Despite all this, the students were nothing short of outstanding and it was a sheer joy to witness them being able to wow the community again.

Whilst the social distancing restrictions were still in place, however, the society staged its first actual event in June with the return of our annual Achievers Awards presentation evening. Due to the restrictions that still needed to be followed, the children's section was split into two and then, finally, the adults' section took place at the end. People were only permitted to sit in a maximum of groups of six with sufficient spacing in place between all groups and face coverings were still required too. Despite all these things to contend with, being able to gather so many people together for this one evening was the first real highlight of the year and gave us all hope that, eventually, we would come out the other end. Seeing all the children and adults receiving their awards and hearing what they had all achieved was one of the most uplifting evenings in the society's history.

With the re-opening of our shops, certain restrictions remained in place for a few months, namely waiting for 72 hours until volunteers could start sorting through bags of donations when they were dropped off. This initially created something of an issue for all shops as the level of donations being received upon re-opening was very high but all our shop staff and volunteers worked marvels, especially in those early months, to not only have the shops running normally but as time progressed during the year it became very apparent that the level of income across all four of them was reaching highs we had never experienced before. The introduction of card machines in all shops was certainly a contributing factor to this but the local community came out in their droves during the year ensuring each shop returned to being vibrant and welcoming in a quicker space of time than we had anticipated.

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

FOR THE YEAR ENDED 31 MARCH 2022

One new initiative that our Novel Coffee Shop embarked on once all restrictions were finally removed was the introduction of an afternoon quiz once a month and the first two were so well attended that an evening event was planned in March, which resulted in over 50 people attending and raising a terrific £650.70.

We also were able to put on our end of Summer Ball in September, another of the society's annual fundraisers that for the obvious reason had been cancelled the previous year. This event was sold out within 10 days of tickets going on sale and resulted in 110 attending at The Roslin Beech Hotel where an amazing total of £2,016 was raised.

In September we made the first price increases at both our Showstoppers and Music Man Projects since they started, which were 2015 and 2012 respectively, but this still saw students paying around 50% compared to other day provision activities in the area. However, what wasn't anticipated so quickly from this was that the increase resulted in both projects becoming self-sufficient, which was one of the main aims when they were being planned. With new students still coming onboard and with there being no waiting list at either project, it ensures both projects financial future is totally secure and we have even seen Showstoppers start to turn a profit by year end...a terrific accomplishment.

An additional achievement as a direct result of Showstoppers and Music Man becoming self-sufficient was that even though our 12 years of financial support from Southend Borough Council came to an end in September, due to them closing the Commissioning Grant process that had been in place since 2009, the loss of this grant money did not affect the society's finances. Instead, it showcases the success to date of the self-sufficiency strategy that we introduced back in 2012 when the first funding cuts began.

Throughout the lockdowns and this past year, the society has supported a higher level of families as a result of the local authorities increasing the care contribution charges relating to each individual students' personal care packages, with some even receiving bills for thousands of pounds relating to backdated services during the time when no services were actually open. As such, with the support of local Councillor Beth Hooper, the society embarked on a brand-new campaign to try and resolve this matter as not only have our families been unable to receive satisfactory responses, or any responses at all in most cases, from the local authorities but there is no consistency to how these charges are being calculated. Our 'Making Care Fair' Campaign was officially launched at our AGM in early December but it will be during the forthcoming financial year that we will hopefully begin to make inroads into what for some students and their families is leaving them with virtually no money to use on the basics for healthy every-day living.

Financial review

The financial climate was still an uncertain one as the country was coming out of all the lockdowns and restrictions but even though the society had virtually no Government support this year, whereas it was this support that got us through 2020-21, the level of income we generated through shops income, grants, fundraising and donations was sufficient to ensure the Executive Committee continued to be very confident on the long-term future for the society.

Even with the uncertainty that still surrounded most of the year, the society's reserves level was maintained at the level equivalent to three months' expenditure as required within our reserves policy; that unrestricted funds which have not been designated for a specific use be maintained at a level equivalent to three months' expenditure. However, with the increase seen in shops income and self-sufficiency being secured by both Showstoppers and Music Man, the trustees are quietly confident that the caveat in our reserves policy of eventually reaching six month's expenditure held in reserves is a possibility for the future.

For the financial year, expenditure was equal to £502,537, whereby three months' expenditure would approximate as £125,635. At the balance sheet date, the reserves balance sat at £93,255 with unrestricted reserves of £125,571 and restricted reserves of (£32,316). The debit balance of restricted reserves is largely due to the timing of the receipt of membership dues, which are expected after the year end.

With the re-opening of activities and the country in general, grant applications again became a requirement although not to the level of pre-pandemic days thanks to the continued success of our self-sufficiency strategy.

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

FOR THE YEAR ENDED 31 MARCH 2022

The major grant application for the year was the one to BBC Children In Need for our children's Family Play & Respite Club. They had funded the project since 2012 with three consecutive three year grants but the prospect of securing a fourth term of financial support was a lot less certain as the pandemic had focussed some of their finances to emergency support, which a lot of grant providers were needing to do. Fortunately, in May we received the news that BBC Children In Need were going to continue with another three years' funding, and at a higher rate too, which ensures the Family Play & Respite Club is secure through until May 2024.

We also had the continuation of our ongoing five-year grant from The National Lottery Community Fund, which provided £17,404.39 during this financial year and continues through until September 2025.

Other funding secured for the year from grant applications was £8,365 from Awards for All, £7,500 from Garfield Weston Foundation, £7,500 from The Childwick Trust, £3,770 from Sport England via Royal Mencap, £3,410 from Essex Community Foundation, £3,000 from FSJ Charities Trust, £2,500 from Charles S French Charitable Trust and £2,000 from The Rosca Trust, and the society is immensely grateful to all these organisations for their financial support this year.

Risk Management:

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.

SOUTHEND MENCAP
(A COMPANY LIMITED BY GUARANTEE)
DIRECTORS' AND TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT)
(CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2022

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


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Director and Trustee

Date: 14-12-2022

**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 2022.

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: 16/12/2022

SOUTHEND MENCAP
(A COMPANY LIMITED BY GUARANTEE)
STATEMENT OF FINANCIAL ACTIVITIES
INCLUDING INCOME AND EXPENDITURE ACCOUNT
FOR THE YEAR ENDED 31 MARCH 2022

	Notes	Unrestricted funds 2022 £	Restricted funds 2022 £	Total Unrestricted funds 2022 £	Restricted funds 2021 £	Total 2021 £
Income from:						
Donations and legacies	3	5,140	23,287	28,427	1,622	9,973
Charitable activities	4	28,981	271,957	300,938	109,352	411,003
Other trading activities	5	133,665	-	133,665	55,811	56,006
Total income		167,786	295,244	463,030	166,785	476,982
Expenditure on:						
Raising funds	6	111,844	-	111,844	99,296	99,296
Charitable activities	7	55,692	335,001	390,693	45,219	341,001
Total expenditure		167,536	335,001	502,537	295,782	440,297
Net incoming/(outgoing) resources before transfers		250	(39,757)	(39,507)	22,270	36,685
Gross transfers between funds		(5,000)	5,000	-	(2,043)	-
Net (expenditure)/income for the year/ Net movement in funds		(4,750)	(34,757)	(39,507)	20,227	36,685
Fund balances at 1 April 2021		130,321	2,441	132,762	110,094	(14,017)
Fund balances at 31 March 2022		125,571	(32,316)	93,255	130,321	132,762

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 2022

	Notes	2022 £	£	2021 £	£
Fixed assets					
Tangible assets	11		132,620		139,275
Current assets					
Debtors	12	25,447		13,677	
Cash at bank and in hand		2,369		9,938	
		27,816		23,615	
Creditors: amounts falling due within one year	14	(67,181)		(30,128)	
Net current liabilities			(39,365)		(6,513)
Total assets less current liabilities			93,255		132,762
Income funds					
Restricted funds	15	(32,316)		2,441	
Unrestricted funds		125,571		130,321	
		93,255		132,762	


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 2022.

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 14-12-2022



Trustee

Company registration number 3707017

SOUTHEND MENCAP
(A COMPANY LIMITED BY GUARANTEE)
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 MARCH 2022

	Notes	2022 £	£	2021 £	£
Cash flows from operating activities					
Cash (absorbed by)/generated from operations	18		(16,744)		23,761
Net cash used in investing activities			-		-
Financing activities					
Repayment of borrowings		9,175		(13,000)	
Net cash generated from/(used in) financing activities			9,175		(13,000)
Net (decrease)/increase in cash and cash equivalents			(7,569)		10,761
Cash and cash equivalents at beginning of year			9,938		(823)
Cash and cash equivalents at end of year			2,369		9,938

**SOUTHEND MENCAP
(A COMPANY LIMITED BY GUARANTEE)
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2022**

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.

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

**SOUTHEND MENCAP
(A COMPANY LIMITED BY GUARANTEE)
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2022**

1 Accounting policies

(Continued)

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).

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.

**SOUTHEND MENCAP
(A COMPANY LIMITED BY GUARANTEE)
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2022**

1 Accounting policies

(Continued)

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.

2 Critical accounting estimates and judgements

In the application of the charity's accounting policies, the trustees are required to make judgements, estimates and assumptions about the carrying amount of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised where the revision affects only that period, or in the period of the revision and future periods where the revision affects both current and future periods.

SOUTHEND MENCAP
(A COMPANY LIMITED BY GUARANTEE)
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2022

3 Donations and legacies

	Unrestricted funds	Restricted funds	Total	Unrestricted funds	Restricted funds	Total
	2022 £	2022 £	2022 £	2021 £	2021 £	2021 £
Donations and gifts	5,140	23,287	28,427	1,622	8,351	9,973

4 Charitable activities

	2022 £	2021 £
Membership fees	153,204	59,636
Programme & Merchandise income	20	172
Minibus rental	10,232	-
Performance related grants	137,482	351,195
	<u>300,938</u>	<u>411,003</u>
Analysis by fund		
Unrestricted funds	28,981	109,352
Restricted funds	271,957	301,651
	<u>300,938</u>	<u>411,003</u>
Performance related grants		
Income under furlough scheme	-	127,538
Business Support	10,668	71,003
Other Performance related grants	126,814	152,654
Other	-	-
	<u>137,482</u>	<u>351,195</u>

Charitable trading income

In the current year a total of £10,668 (2021 - £198,541) was received in government grants in response to the coronavirus pandemic. This amount is made up of £0 (2021 - £127,538) in relation to the furlough job retention scheme and £10,668 (2021 - £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.

SOUTHEND MENCAP
(A COMPANY LIMITED BY GUARANTEE)
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2022

5 Other trading activities

	Unrestricted funds	Unrestricted funds	Restricted funds	Total
	2022 £	2021 £	2021 £	2021 £
Non-charitable trading activities	133,665	55,811	195	56,006

6 Raising funds

	Unrestricted funds	Unrestricted funds
	2022 £	2021 £
<u>Fundraising and publicity</u>		
Depreciation and impairment	6,514	8,252
<u>Trading costs</u>		
Other trading activities	37,715	31,295
Staff costs	35,574	32,561
Support costs	32,041	27,188
Trading costs	105,330	91,044
	111,844	99,296

SOUTHEND MENCAP
(A COMPANY LIMITED BY GUARANTEE)
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2022

7 Charitable activities

	Direct charitable expenditure 2022 £	Direct charitable expenditure 2021 £
Staff costs	286,781	276,936
Depreciation and impairment	142	232
Other direct charitable expenditure	50,879	21,935
	<u>337,802</u>	<u>299,103</u>
Share of support costs (see note 8)	52,275	41,288
Share of governance costs (see note 8)	616	610
	<u>390,693</u>	<u>341,001</u>
Analysis by fund		
Unrestricted funds	55,692	45,219
Restricted funds	335,001	295,782
	<u>390,693</u>	<u>341,001</u>

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8 Support costs	Support costs	Governance costs	2022	Support costs	Governance costs	2021	Basis of allocation
	£	£	£	£	£	£	
Staff costs	25,567	-	25,567	21,558	-	21,558	Time spent
Office supplies	14,788	-	14,788	9,089	-	9,089	Usage
Equipment hire, repairs and	6,742	-	6,742	7,045	-	7,045	Usage
signage and water	9,718	-	9,718	8,732	-	8,732	Usage
Insurance	2,436	-	2,436	2,818	-	2,818	Usage
Telephone and fax	3,234	-	3,234	2,644	-	2,644	Equal basis
Computer expenses	788	-	788	771	-	771	Usage
Licences, permits and	1,737	-	1,737	1,153	-	1,153	Usage
travel and entertaining	254	-	254	132	-	132	Usage
Sundry	1,538	-	1,538	990	-	990	Usage
Rent	14,025	-	14,025	10,084	-	10,084	Usage
Accountancy	-	3,800	3,800	-	3,800	3,800	Governance
Legal and professional	-	305	305	-	270	270	Governance
	<u>80,827</u>	<u>4,105</u>	<u>84,932</u>	<u>65,016</u>	<u>4,070</u>	<u>69,086</u>	
Analysed between							
Trading	28,552	3,489	32,041	23,728	3,460	27,188	
Charitable activities	52,275	616	52,891	41,288	610	41,898	
	<u>80,827</u>	<u>4,105</u>	<u>84,932</u>	<u>65,016</u>	<u>4,070</u>	<u>69,086</u>	

Governance costs include payments to the independent examiner of £3,800 (2021- £3,800).

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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; £6,752 (2021: £4,571) to L Nardone and £0 (2021: £0) 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:

	2022	2021
	Number	Number
Trading	4	4
Advocacy	4	4
Other charitable activities	18	15
Administration	2	2
	<hr/>	<hr/>
Total	28	25
	<hr/>	<hr/>

Employment costs	2022	2021
	£	£
Wages and salaries	325,255	310,211
Social security costs	17,490	16,055
Other pension costs	5,177	4,789
	<hr/>	<hr/>
	347,922	331,055
	<hr/>	<hr/>

The number of employees was reduced the prior year due to the impact of Covid-19 on the provision of services. As, expected staff numbers have returned to pre-pandemic levels.

The full time equivalent of the total part time staff was 12 for the year (2021: 9).

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

	2022	2021
	Number	Number
60,000 - 65,000	1	1
	<hr/>	<hr/>

The employee whose emoluments exceed £60,000, also has £1,321 (2021: £1,313) retirement benefits accruing under defined contribution pension schemes.

SOUTHEND MENCAP
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11 Tangible fixed assets

	Leasehold property	Plant and machinery	Fixtures, fittings & equipment	Motor vehicles	Total
	£	£	£	£	£
Cost					
At 1 April 2021	130,000	14,991	7,422	102,295	254,708
At 31 March 2022	130,000	14,991	7,422	102,295	254,708
Depreciation and impairment					
At 1 April 2021	12,025	14,692	7,184	81,530	115,431
Depreciation charged in the year	1,300	119	47	5,191	6,657
At 31 March 2022	13,325	14,811	7,231	86,721	122,088
Carrying amount					
At 31 March 2022	116,675	180	191	15,574	132,620
At 31 March 2021	117,975	298	238	20,764	139,275

12 Debtors

	2022 £	2021 £
Amounts falling due within one year:		
Trade debtors	14,615	3,563
Prepayments and accrued income	10,832	10,114
	<u>25,447</u>	<u>13,677</u>

13 Loans and overdrafts

	2022 £	2021 £
Other loans	<u>25,175</u>	<u>16,000</u>
Payable within one year	<u>25,175</u>	<u>16,000</u>

SOUTHEND MENCAP
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NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2022

14 Creditors: amounts falling due within one year

	2022	2021
	£	£
Borrowings	25,175	16,000
Other taxation and social security	28,198	4,213
Trade creditors	5,308	4,579
Other creditors	1,068	964
Accruals and deferred income	7,432	4,372
	<u>67,181</u>	<u>30,128</u>

SOUTHEND MENCAP
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FOR THE YEAR ENDED 31 MARCH 2022

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:

	Movement in funds				Movement in funds				
	Balance at 1 April 2020	Incoming resources	Resources expended	Transfers	Balance at 1 April 2021	Incoming resources	Resources expended	Transfers	Balance at 31 March 2022
	£	£	£	£	£	£	£	£	£
Advocacy	(6,512)	41,011	(36,703)	331	(1,872)	31,995	(39,687)	1,899	(7,665)
Big lottery	(73)	20,770	(20,772)	-	(75)	17,404	(17,798)	-	(469)
Top cats	(974)	-	-	-	(974)	55	-	-	(919)
Club 16+	(157)	6,857	(8,180)	548	(932)	7,631	(10,361)	(219)	(3,881)
Family play and respite	(8,748)	37,898	(29,179)	-	(29)	30,793	(42,465)	3,517	(8,184)
Family support worker	(2,515)	15,955	(12,831)	(331)	278	9,430	(12,898)	1,127	(2,063)
Friendship group	(398)	177	-	(60)	(281)	1,034	(2,040)	(369)	(1,656)
Maldon Branch	-	-	-	-	-	800	(809)	-	(9)
MODS	2,718	2,082	(6,640)	365	(1,475)	16,214	(16,193)	(1,140)	(2,594)
Music Man Project	(6,248)	91,950	(97,602)	1,667	(10,232)	93,606	(101,528)	960	(17,194)
Music School	1,525	88	-	-	1,613	1,412	(1,420)	-	1,605
Music Supplies	(1,130)	513	(607)	-	(1,226)	831	(899)	-	(1,294)
Palladium Concert	3,934	-	-	-	3,934	-	(13)	-	3,921
Showstoppers	(2,964)	54,958	(48,906)	(477)	2,611	51,297	(54,049)	2,300	2,159
SMASH	587	-	-	-	587	5,944	(4,443)	-	2,088
TFC	(473)	13,706	(10,508)	-	(249)	7,000	(7,000)	-	(249)
Transitional Advocate	2,372	2,624	(3,538)	-	2,725	5,359	(10,649)	1,292	(1,273)
Compatibles	2,963	-	(2,425)	(860)	1,458	7,529	(3,892)	(2,000)	3,095
Annual Fundraiser Pot	-	823	-	-	(1,796)	4,667	(2,299)	(2,367)	(1,795)
Yoga	7,084	7,609	(6,317)	-	8,376	2,242	(6,557)	-	4,061
	<u>(14,017)</u>	<u>310,198</u>	<u>(295,783)</u>	<u>2,043</u>	<u>2,441</u>	<u>295,243</u>	<u>(335,000)</u>	<u>5,000</u>	<u>(32,316)</u>

**SOUTHEND MENCAP
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NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2022**

15 Restricted funds

(Continued)

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

Advocacy (£7,665): 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 (£469): 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 (£919): 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+ (£3,881): 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 (£8,184): This overspend will be cleared following receipt of grant funding shortly after the year end.

Family support worker (£2,063): This wages overspend is immediately repaid after the year end.

Friendship Group (£1,656): 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.

Maldon Branch (£9): This overspend it cleared following the receipt of funds in the following year.

MODS (£2,595): 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 (£17,195): 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.

Music Supplies (£1,294): This overspend relates to a timing difference between income and expenditure. This clears in the following year.

Transitional Advocate (£1,273): This overspend relates to a timing difference between income and expenditure. This clears in the following year.

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

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NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2022

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 Man 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.

SOUTHEND MENCAP
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NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2022

16 Analysis of net assets between funds

	Unrestricted funds 2022 £	Restricted funds 2022 £	Total 2022 £	Unrestricted funds 2021 £	Restricted funds 2021 £	Total 2021 £
Fund balances at 31 March 2022 are represented by:						
Tangible assets	132,358	262	132,620	138,871	404	139,275
Current assets/(liabilities)	(6,787)	(32,578)	(39,365)	(8,550)	2,037	(6,513)
	<u>125,571</u>	<u>(32,316)</u>	<u>93,255</u>	<u>130,321</u>	<u>2,441</u>	<u>132,762</u>

17 Related party transactions

Remuneration of key management personnel

The remuneration of key management personnel is as follows.

	2022 £	2021 £
Aggregate compensation	<u>33,667</u>	<u>30,000</u>

The following amounts were outstanding at the reporting end date:

	Amounts owed to related parties	
	2022 £	2021 £
Key management personnel	<u>25,175</u>	<u>16,000</u>

At the balance sheet date the Charity owed Marc McOwens £25,175 (2021:£16,000) following loans made by him to help support the cash flow position of the Charity.

18 Cash generated from operations

	2022 £	2021 £
(Deficit)/surplus for the year	(39,507)	36,685
Adjustments for:		
Depreciation and impairment of tangible fixed assets	6,655	8,485
Movements in working capital:		
(Increase) in debtors	(11,770)	(3,360)
Increase/(decrease) in creditors	27,878	(18,049)
Cash (absorbed by)/generated from operations	<u>(16,744)</u>	<u>23,761</u>

SOUTHEND MENCAP
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NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2022

19 Analysis of changes in net (debt)/funds

	At 1 April 2021 £	Cash flows £	At 31 March 2022 £
Cash at bank and in hand	9,938	(7,569)	2,369
Loans falling due within one year	(16,000)	(9,175)	(25,175)
	<u>(6,062)</u>	<u>(16,744)</u>	<u>(22,806)</u>