

**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 2023**

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

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<b>Trustees</b>	C Hebden MBE	
	L Nardone	
	G Treadwell	
	K Miglorini	
	S Walsh	
	W Wilson	
	A Cope-Prior	(Appointed 8 March 2023)
	D Milne	(Appointed 8 March 2023)
	A Greensmith	(Appointed 8 March 2023)
<b>Secretary</b>	C Hebden MBE	
<b>Charity number</b>	1078686	
<b>Company number</b>	3707017	
<b>Principal address</b>	The Harvey Centre 100 London Road Southend on Sea Essex SS1 1PG	
<b>Registered office</b>	The Harvey Centre 100 London Road Southend on Sea Essex SS1 1PG	
<b>Independent examiner</b>	P A Stafford FCCA 457 Southchurch Road Southend on Sea Essex SS1 2PH	
<b>Bankers</b>	Metro Bank One Southampton Row London WC1B 5HA	

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**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 2023**

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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; 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 2023**

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The trustees present their annual report and financial statements for the year ended 31 March 2023, 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 2023**

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**Achievements and performance**

Following the uncertainty of the previous two years with the pandemic causing major disruption to the society's complete service provision, this year saw things return to 'normal'. Any concerns our students and their families may still have had in relation to safety etc, had clearly dissipated as all activities not only reached their maximum capacities but this year saw the highest number of new students joining at least one of our projects in a particular year.

With student numbers reaching never before seen levels across our projects and activities, this allowed our self-sufficiency strategy to get back on track following the previous two years' of disruption. One project that deserves a special mention here is our Showstoppers Project, which had reached self-sufficiency status back in October 2021 as reported last year. Due to their continued success in delivering very unique and enjoyable educational activities, Showstoppers can now boast a profit for this financial year and, along with the continued success of our Novel Coffee Shop, those two services now are able to support the financial costs for our Family Support Worker project. This had always been the long-term aim of our self-sufficiency strategy whereby a few projects may eventually start turning a profit that could then support other projects that would never reach self-sufficiency. This achievement means that funding is no longer required to be sought for our Family Support Worker project. In turn, this frees up more funding applications to be submitted, and ultimately funds secured, for our Advocacy service and ensure their costs continue to be covered in the future.

All our charity shops and The Novel Coffee Shop also had a disruption free year and across all of them they produced a record total income for shop sales. However, there is one sad piece of news and that's regarding our charity shop in Shoeburyness as, after over 30 years of service to the local Shoebury community, it had to close on 31<sup>st</sup> March 2023. This was primarily due to the shop's manager taking a very well deserved retirement but as we had no other volunteers available to take over the shop, coupled with the fact that since re-opening after the lockdowns the shop's sales income had significantly reduced, the decision was made to officially close down the shop. We still had 6 years remaining on the lease, which we were not able to get out of early, but it's hoped that the landlord can source a new tenant during the next financial year that would then allow us to exit the lease.

Along with the return to full capacities across our entire service provision, the society was able to deliver a number of our fundraising events that, prior to the pandemic, could be relied upon to produce some much needed funding to support those projects that will never be able to become self-sufficient. These included our End of Summer Ball that saw us switch to a new venue at The Maritime Rooms in the Cliffs Pavilion and a new event, The Black & White Ball, which was held in March and could become part of our annual calendar of events.

Further to the above mentioned fundraising events, our MODS drama group's two night performance at The Palace Theatre in November saw over 75% audience capacity across both nights and ensured the wonderful cast of actors and actresses showcased their amazing confidence and talents to the local community. They received extra long standing ovations at the end of both performances and, thanks to the very generous audience members, we were able to raise over £1,000 from the raffle held on the two nights.

As a result of the continued success of The Music Man Project, discussions took place regarding the project separating from Southend Mencap. There have been a couple of projects in the past that were eventually able to stand alone from the society, Shields Parliament and Artability, and to ensure both Southend Mencap's and The Music Man Project's long term futures, a proposal was presented to the board of trustees for The Music Man Project UK Charity for this to potentially take place during the next financial year.

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

**FOR THE YEAR ENDED 31 MARCH 2023**

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One other major achievement is the progression of our Making Care Fair Campaign that we first launched in partnership with Blade Education back in November of 2021. The primary aim of the campaign is making sure the benefits system works for everyone with learning disabilities. Over the last few years, PIP has replaced the Disability Living Allowance (DLA) for people aged between 16 and 64 living in England and Wales, which has ultimately been disastrous for some families/carers of those adults with learning disabilities. This campaign aims to highlight what needs to be changed to make sure that families/carers and adults with learning disabilities are being given the best support possible. From our own experience, especially through our amazing Advocacy service, we evidenced that families/carers are being penalised despite them already saving the government huge amounts of money in care costs. If they were to place their loved ones in a care setting/supported living scheme this would be costing the government so much more in the long run. We strongly started to campaign for the local authority to make necessary changes with regards to their care contribution charges, that the majority of families do need to pay, as the 'blanket one rule fits all' policy doesn't work. We continued to campaign that each person needs to be assessed individually as no two people are the same and each family faces different challenges daily.

By the end of this financial year, we had eventually received confirmation from Southend Council that their financial assessment process was flawed and needed a complete review, which will be something we will be heavily involved with in the next financial year. This includes totally updating the financial assessment form so that it is far more accessible and understandable for families/carers to complete, when necessary, with new-found confidence that they will ultimately secure the funds that it is their right to have and not be left having to progress down the appeal process that makes more work for them, the society and the local authority too.

**Financial review**

The financial climate was still a very uncertain one, more of which is explained in the next paragraph, but 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.

For the financial year, expenditure was equal to £529,129, whereby three months' expenditure would approximate as £132,282. At the balance sheet date, the reserves balance sat at £62,556 with unrestricted reserves of £97,882 and restricted reserves of (£35,326). 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.

Even with the continued uncertainty that still surrounded the year, especially with the dramatic increase seen in energy costs from October and the UK's cost of living crisis, the society's reserves level was maintained at the level equivalent to three months' expenditure as required within our reserves policy. Due to having all our energy contracts fixed on long term deals back in 2021, thankfully the society was not subject to higher energy costs although the vast majority of other costs did increase with countless businesses countrywide, whom we deal with for our supplies etc, putting their prices up to cover their own respective expenditure increases.

Funding applications continued to be needed as not all projects will be able to become self-sufficient e.g. Advocacy, which is a free service so generates no income. However, the continued success of the self-sufficiency strategy resulted in our Family Support project now being able to be funded by surplus funds generated by both our Showstoppers Project and Novel Coffee Shop.

We had the continuation of our ongoing five-year grant from The National Lottery Community Fund, which provided £17,656.90 during this financial year and continues through until September 2025. Additionally, we had the continuation of our three year grant from Children In Need, which provided £25,063.70 during this financial year and continues until May 2024.

Other funding secured for the year from grant applications was £10,000 from a Trust that prefers to remain anonymous, £9,960 from Awards for All, £9,000 from the Edward Gostling Foundation, £8,000 from Southend's Community Investment Fund, £7,700 from the Essex Community Foundation, £3,500 from Eastern Counties Educational Trust, £2,000 from Baily Thomas Charitable Fund and £1,500 from the Rosca Trust and the society is immensely grateful to all these organisations for their financial support this year.

**SOUTHEND MENCAP**  
**(A COMPANY LIMITED BY GUARANTEE)**  
**DIRECTORS' AND TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT)**  
**(CONTINUED)**  
**FOR THE YEAR ENDED 31 MARCH 2023**

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**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

(Resigned 31 March 2023)

K Miglorini

S Walsh

W Wilson

A Cope-Prior

(Appointed 8 March 2023)

D Milne

(Appointed 8 March 2023)

A Greensmith

(Appointed 8 March 2023)

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.



C Hebden MBE

**Director and Trustee**

Date: 19-12-23



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

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I report to the trustees on my examination of the financial statements of Southend Mencap (the charity) for the year ended 31 March 2023.

**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.

  
A Stafford FCOA

457 Southchurch Road  
Southend on Sea  
Essex  
SS1 2PH

Dated: 19/11/2023

**SOUTHEND MENCAP**  
**(A COMPANY LIMITED BY GUARANTEE)**  
**STATEMENT OF FINANCIAL ACTIVITIES**  
**INCLUDING INCOME AND EXPENDITURE ACCOUNT**  
**FOR THE YEAR ENDED 31 MARCH 2023**

		Unrestricted funds 2023 £	Restricted funds 2023 £	Total Unrestricted funds 2023 £	Restricted funds 2022 £	Total 2022 £
	Notes					
<b>Income from:</b>						
Donations and legacies	3	19,381	32,378	51,759	5,140	23,287
Charitable activities	4	454	293,673	294,127	28,981	271,957
Other trading activities	5	152,544	-	152,544	133,665	-
<b>Total income</b>		<b>172,379</b>	<b>326,051</b>	<b>498,430</b>	<b>167,786</b>	<b>295,244</b>
<b>Expenditure on:</b>						
Raising funds	6	138,218	-	138,218	111,844	-
Charitable activities	7	46,833	344,072	390,905	55,692	335,001
Other Expenditure	11	-	6	6	-	-
<b>Total resources expended</b>		<b>185,051</b>	<b>344,078</b>	<b>529,129</b>	<b>167,536</b>	<b>335,001</b>
<b>Net outgoing resources before transfers</b>		<b>(12,672)</b>	<b>(18,027)</b>	<b>(30,699)</b>	<b>250</b>	<b>(39,507)</b>
Gross transfers between funds		(15,017)	15,017	-	(5,000)	5,000
<b>Net expenditure for the year/ Net movement in funds</b>		<b>(27,689)</b>	<b>(3,010)</b>	<b>(30,699)</b>	<b>(4,750)</b>	<b>(34,757)</b>
Fund balances at 1 April 2022		125,571	(32,316)	93,255	130,321	2,441
<b>Fund balances at 31 March 2023</b>		<b>97,882</b>	<b>(35,326)</b>	<b>62,556</b>	<b>125,571</b>	<b>(32,316)</b>

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 2023**

	Notes	2023 £	£	2022 £	£
<b>Fixed assets</b>					
Tangible assets	12		127,683		132,620
<b>Current assets</b>					
Debtors	13	24,385		25,447	
Cash at bank and in hand		3,009		2,369	
		<u>27,394</u>		<u>27,816</u>	
<b>Creditors: amounts falling due within one year</b>	15	<u>(92,521)</u>		<u>(67,181)</u>	
Net current liabilities			(65,127)		(39,365)
<b>Total assets less current liabilities</b>			<u>62,556</u>		<u>93,255</u>
<b>Income funds</b>					
Restricted funds	16	(35,326)		(32,316)	
Unrestricted funds		97,882		125,571	
		<u>62,556</u>		<u>93,255</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 2023.

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 19-12-23

  
 .....  
 C Hebden MBE  
 Trustee

**Company Registration No. 3707017**

**SOUTHEND MENCAP**  
**(A COMPANY LIMITED BY GUARANTEE)**  
**STATEMENT OF CASH FLOWS**  
**FOR THE YEAR ENDED 31 MARCH 2023**

	Notes	2023 £	£	2022 £	£
<b>Cash flows from operating activities</b>					
Cash generated from/(absorbed by) operations	19		4,633		(16,744)
<b>Investing activities</b>					
Purchase of tangible fixed assets		(613)		-	
<b>Net cash used in investing activities</b>			(613)		-
<b>Financing activities</b>					
Repayment of borrowings		(3,380)		9,175	
<b>Net cash (used in)/generated from financing activities</b>			(3,380)		9,175
<b>Net increase/(decrease) in cash and cash equivalents</b>			640		(7,569)
Cash and cash equivalents at beginning of year			2,369		9,938
<b>Cash and cash equivalents at end of year</b>			3,009		2,369

**SOUTHEND MENCAP**  
**(A COMPANY LIMITED BY GUARANTEE)**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 MARCH 2023**

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**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 2023**

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**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 2023**

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**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 2023**

**3 Donations and legacies**

	Unrestricted funds	Restricted funds	Total	Unrestricted funds	Restricted funds	Total
	2023 £	2023 £	2023 £	2022 £	2022 £	2022 £
Donations and gifts	9,381	32,378	41,759	5,140	23,287	28,427
Legacies receivable	10,000	-	10,000	-	-	-
	<u>19,381</u>	<u>32,378</u>	<u>51,759</u>	<u>5,140</u>	<u>23,287</u>	<u>28,427</u>

**4 Charitable activities**

	2023 £	2022 £
Membership fees	182,393	153,204
Minibus rental	-	20
Programme & Merchandise income	13,494	10,232
Performance related grants	98,240	137,482
	<u>294,127</u>	<u>300,938</u>
Analysis by fund		
Unrestricted funds	454	28,981
Restricted funds	293,673	271,957
	<u>294,127</u>	<u>300,938</u>
<b>Performance related grants</b>		
Business Support	-	10,668
Other Performance related grants	98,240	126,814
Other	-	-
	<u>98,240</u>	<u>137,482</u>

**Charitable trading income**

In the previous year a total of £10,668 (2023 - £0) was received in government grants in response to the coronavirus pandemic. This amount is made up of £10,668 (2023 - £0) in relation to business support grants.

These grants represented 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.



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**5 Other trading activities**

	<b>Unrestricted funds</b>	Unrestricted funds
	<b>2023</b>	2022
	<b>£</b>	£
Non-charitable trading activities	152,544	133,665
	<u>          </u>	<u>          </u>

**6 Raising funds**

	<b>Unrestricted funds</b>	Unrestricted funds
	<b>2023</b>	2022
	<b>£</b>	£
<u>Fundraising and publicity</u>		
Depreciation and impairment	5,213	6,514
	<u>          </u>	<u>          </u>
<u>Trading costs</u>		
Other trading activities	63,332	37,715
Staff costs	38,859	35,574
Support costs	30,814	32,041
	<u>          </u>	<u>          </u>
Trading costs	133,005	105,330
	<u>          </u>	<u>          </u>
	<u>138,218</u>	<u>111,844</u>

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**7 Charitable activities**

	Direct charitable expenditure 2023 £	Direct charitable expenditure 2022 £
Staff costs	283,933	286,781
Depreciation and impairment	331	142
Other direct charitable expenditure	70,264	50,879
	<u>354,528</u>	<u>337,802</u>
Share of support costs (see note 8)	35,682	52,275
Share of governance costs (see note 8)	695	616
	<u>390,905</u>	<u>390,693</u>
<b>Analysis by fund</b>		
Unrestricted funds	46,833	55,692
Restricted funds	344,072	335,001
	<u>390,905</u>	<u>390,693</u>

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**8 Support costs**

	Support costs	Governance costs	2023 Support costs	Governance costs	2022	Basis of allocation
	£	£	£	£	£	
Staff costs	25,668	-	25,668	25,567	25,567	Time spent
Office supplies	4,548	-	4,548	14,788	14,788	Usage
Equipment hire, repairs and	4,260	-	4,260	6,742	6,742	Usage
Light, heat and water	3,418	-	3,418	9,718	9,718	Usage
Insurance	3,438	-	3,438	2,436	2,436	Usage
Telephone and fax	3,423	-	3,423	3,234	3,234	Equal basis
Computer expenses	816	-	816	788	788	Usage
Licences, permits and	694	-	694	1,737	1,737	Usage
subscriptions	-	-	-	254	254	Usage
Travel and entertaining	-	-	-	-	-	
Sundry	577	-	577	1,538	1,538	Usage
Rent	15,716	-	15,716	14,025	14,025	Usage
Accountancy	-	3,800	3,800	-	3,800	Governance
Legal and professional	-	833	833	-	305	Governance
	<u>62,558</u>	<u>4,633</u>	<u>67,191</u>	<u>80,827</u>	<u>84,932</u>	
Analysed between						
Trading	26,876	3,938	30,814	28,552	32,041	
Charitable activities	35,682	695	36,377	52,275	52,891	
	<u>62,558</u>	<u>4,633</u>	<u>67,191</u>	<u>80,827</u>	<u>84,932</u>	

Governance costs include payments to the independent examiner of £3,800 (2022- £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 a trustees for services provided to the Charity during the year; £8,666 (2022: £6,752 ) to L Nardone. Due to their employment status they are non-voting trustees.

**10 Employees**

The average monthly number of employees during the year was:

	<b>2023</b>	<b>2022</b>
	<b>Number</b>	<b>Number</b>
Trading	5	4
Advocacy	3	4
Other charitable activities	18	18
Administration	2	2
	<hr/>	<hr/>
Total	28	28
	<hr/>	<hr/>

**Employment costs**

	<b>2023</b>	<b>2022</b>
	<b>£</b>	<b>£</b>
Wages and salaries	324,401	325,255
Social security costs	18,544	17,490
Other pension costs	5,515	5,177
	<hr/>	<hr/>
	348,460	347,922
	<hr/>	<hr/>

The full time equivalent of the total part time staff was 13 for the year (2022: 12).

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

	<b>2023</b>	<b>2022</b>
	<b>Number</b>	<b>Number</b>
60,000 - 65,000	-	1
65,001 - 70,000	1	-
	<hr/>	<hr/>

The employee whose emoluments exceed £60,000, also has £1,321 (2022: £1,313) retirement benefits accruing under defined contribution pension schemes.

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**11 Other Expenditure**

	<b>Restricted funds</b>	<b>Total</b>
	<b>2023</b>	<b>£ 2022</b>
Net loss on disposal of tangible fixed assets	6	-
	<u>6</u>	<u>-</u>

**12 Tangible fixed assets**

	<b>Leasehold property</b>	<b>Plant and machinery</b>	<b>Fixtures, fittings &amp; equipment</b>	<b>Motor vehicles</b>	<b>Total</b>
	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>
<b>Cost</b>					
At 1 April 2022	130,000	14,991	7,422	102,295	254,708
Additions	-	613	-	-	613
Disposals	-	(614)	-	-	(614)
At 31 March 2023	<u>130,000</u>	<u>14,990</u>	<u>7,422</u>	<u>102,295</u>	<u>254,707</u>
<b>Depreciation and impairment</b>					
At 1 April 2022	13,325	14,811	7,231	86,721	122,088
Depreciation charged in the year	1,300	315	36	3,893	5,544
Eliminated in respect of disposals	-	(608)	-	-	(608)
At 31 March 2023	<u>14,625</u>	<u>14,518</u>	<u>7,267</u>	<u>90,614</u>	<u>127,024</u>
<b>Carrying amount</b>					
At 31 March 2023	<u>115,375</u>	<u>472</u>	<u>155</u>	<u>11,681</u>	<u>127,683</u>
At 31 March 2022	<u>116,675</u>	<u>180</u>	<u>191</u>	<u>15,574</u>	<u>132,620</u>

**13 Debtors**

	<b>2023</b>	<b>2022</b>
	<b>£</b>	<b>£</b>
<b>Amounts falling due within one year:</b>		
Trade debtors	13,215	14,615
Prepayments and accrued income	11,170	10,832
	<u>24,385</u>	<u>25,447</u>

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**14 Loans and overdrafts**

	<b>2023</b>	<b>2022</b>
	<b>£</b>	<b>£</b>
Other loans	21,795	25,175
	<u>21,795</u>	<u>25,175</u>
Payable within one year	21,795	25,175
	<u>21,795</u>	<u>25,175</u>

**15 Creditors: amounts falling due within one year**

	<b>2023</b>	<b>2022</b>
	<b>£</b>	<b>£</b>
Borrowings	21,795	25,175
Other taxation and social security	53,766	28,198
Trade creditors	8,110	5,308
Other creditors	1,127	1,068
Accruals and deferred income	7,723	7,432
	<u>92,521</u>	<u>67,181</u>

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**16 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 2021	Incoming resources	Resources expended	Transfers	Balance at 1 April 2022	Incoming resources	Resources expended	Transfers	Balance at 31 March 2023
	£	£	£	£	£	£	£	£	£
Advocacy	(1,872)	31,995	(39,687)	1,899	(7,664)	25,960	(40,894)	7,000	(15,598)
Big lottery	(75)	17,404	(17,798)	-	(469)	17,657	(17,788)	-	(600)
Top cats	(974)	55	-	-	(919)	-	-	919	-
Club 16+	(932)	7,631	(10,361)	(219)	(3,881)	13,051	(11,133)	-	(1,963)
Family play and respite	(29)	30,793	(42,465)	3,517	(8,185)	39,646	(42,648)	-	(11,187)
Family support worker	278	9,430	(12,898)	1,127	(2,063)	5,000	(12,854)	3,000	(6,917)
Friendship group	(281)	1,034	(2,040)	(369)	(1,656)	4,017	(3,453)	-	(1,092)
Maldon Branch	-	800	(809)	-	(9)	1,890	(1,149)	-	732
MODS	(1,475)	16,214	(16,193)	(1,140)	(2,595)	20,570	(16,710)	-	1,265
Music Man Project	(10,232)	93,606	(101,528)	960	(17,195)	119,869	(112,988)	-	(10,314)
Music School	1,613	1,412	(1,420)	-	1,605	1,391	(2,030)	-	966
Music Supplies	(1,226)	831	(899)	-	(1,292)	722	(972)	-	(1,542)
Palladium Concert	3,934	-	(13)	-	3,921	-	-	-	3,921
Showstoppers	2,611	51,297	(54,049)	2,300	2,158	62,365	(59,766)	-	4,757
SMASH	587	5,944	(4,443)	-	2,088	2,283	(5,096)	-	(725)
TFC	2,725	5,359	(10,649)	1,292	(249)	-	-	249	-
Transitional Advocate	1,458	7,529	(3,892)	(2,000)	(1,273)	-	(2,578)	3,849	(2)
Compatibles	2,963	4,667	(2,425)	(860)	3,095	999	(4,016)	-	78
Annual Fundraiser Pot	-	823	(2,299)	(2,367)	(1,796)	6,683	(2,917)	-	1,970
Yoga	8,376	2,242	(6,557)	-	4,063	3,948	(7,086)	-	925
	<u>2,441</u>	<u>295,243</u>	<u>(335,000)</u>	<u>5,000</u>	<u>(32,316)</u>	<u>326,051</u>	<u>(344,078)</u>	<u>15,017</u>	<u>(35,326)</u>

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**16 Restricted funds**

**(Continued)**

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

Advocacy (£15,598): This fund relates to the provision of free advocacy services provided by the charity and pays for the salaries for two Councillors. This fund continues to be in deficit and has deepened since the prior year (2022: - £7,664)

Big Lottery (£600): The the small overdrawn amount is due to the timing of receipts and this fund restores to a surplus after the year-end.

Club 16+ (£1,963): 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 (£11,187): This overspend will be cleared following receipt of grant funding shortly after the year end.

Family support worker (£6,917): This wages overspend is immediately repaid after the year end.

Friendship Group (£1,092): 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 (£10,314): 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 (£1,542): This overspend relates to a timing difference between income and expenditure. This clears in the following year.

SMASH (£745): This deficit is due to the mismatch in timing between receipts and expenditure. This fund is restored to a surplus after the year-end.

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

- A legacy was received during the year of £10,000 and the Trustees decided to use this against restricted funds, £3,000 to Family Support worker and £7,000 to advocacy.
- The other transfers relate to the use of unrestricted funds to clear deficit on funds that ceased in the year.

All transfers were agreed upon by the Trustees.



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**17 Analysis of net assets between funds**

	Unrestricted funds 2023 £	Restricted funds 2023 £	Total 2023 £	Unrestricted funds 2022 £	Restricted funds 2022 £	Total 2022 £
Fund balances at 31 March 2023 are represented by:						
Tangible assets	127,145	538	127,683	132,358	262	132,620
Current assets/(liabilities)	(29,263)	(35,864)	(65,127)	(6,787)	(32,578)	(39,365)
	<u>97,882</u>	<u>(35,326)</u>	<u>62,556</u>	<u>125,571</u>	<u>(32,316)</u>	<u>93,255</u>

**18 Related party transactions**

**Remuneration of key management personnel**

The remuneration of key management personnel is as follows.

	2023 £	2022 £
Aggregate compensation	<u>33,788</u>	<u>30,000</u>

The following amounts were outstanding at the reporting end date:

	<b>Amounts owed to related parties</b>	
	2023 £	2022 £
Key management personnel	<u>21,795</u>	<u>25,175</u>

At the balance sheet date the Charity owed Marc McOwens £21,795 (2022:£25,175) following loans made by him to help support the cash flow position of the Charity.

**19 Cash generated from operations**

	2023 £	2022 £
Deficit for the year	(30,699)	(39,507)
Adjustments for:		
Loss on disposal of tangible fixed assets	6	-
Depreciation and impairment of tangible fixed assets	5,544	6,655
Movements in working capital:		
Decrease/(increase) in debtors	1,062	(11,770)
Increase in creditors	28,720	27,878
<b>Cash generated from/(absorbed by) operations</b>	<u>4,633</u>	<u>(16,744)</u>

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**20 Analysis of changes in net (debt)/funds**

	<b>At 1 April 2022</b>	<b>Cash flows</b>	<b>At 31 March 2023</b>
	<b>£</b>	<b>£</b>	<b>£</b>
Cash at bank and in hand	2,369	640	3,009
Loans falling due within one year	(25,175)	3,380	(21,795)
	<u>(22,806)</u>	<u>4,020</u>	<u>(18,786)</u>