



**Sutton Mencap Charity Company**

**Annual Report and Financial Statements  
For the year ended 31 March 2022**

**Charity number: 1080514**

**Company number: 03915936**

# **Sutton Mencap Charity Company**

## **Annual Report and Financial Statements**

**Year ended 31 March 2022**

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# **Sutton Mencap Charity Company**

## **Company information**

### **Trustee Board**

Chairman: Mavis Peart OBE

Vice-Chairman: Clare Fionda

Treasurer: Paul Solomon

Trustee: Titilayo Dairo

Trustee: Kevin Dillon

Trustee: Dennis Henstock

Trustee: Michele Humphreys

Trustee: Edwina Morris

Trustee: Michelle Perrett

Trustee: Amit Srivastava

Trustee: Simon Vines (from August 2021)

Company Secretary: David Hobday, Chief Executive Officer

Members of the Trustee Board are the directors of the company.

### **Company Status**

The company is a company limited by guarantee, not having a share capital and is registered in England and Wales.

**Registered company number:** 03915936

**Registered charity number:** 1080514

### **Registered Office:**

8 Stanley Park Road  
Wallington  
SM6 0EU

### **Bankers**

CAF Bank  
25 Kings Hill Avenue  
Kings Hill  
West Malling  
Kent  
ME19 4JQ

Unity Trust Bank  
PO Box 7193  
Planetary Road  
Willenhall  
WV1 9DG

### **Independent Examiner**

Kevin Fisher  
Myrus Smith  
Norman House  
8 Burnell Road  
Sutton  
SM1 4BW

# **Sutton Mencap Charity Company**

## **Report of the Trustees**

Year ended 31 March 2022

### **Structure, Governance and Management**

#### **Governing document**

Sutton Mencap Charity Company is a charity registered with the Charity Commission and a Company Limited by Guarantee. The Charity Company was registered on 28 January 2000 and uses Sutton Mencap as its working name. The company was set up under a Memorandum of Association which established the objects and powers of the charitable company and is governed under its Articles of Association. In the event of the company being wound up members are required to contribute an amount not exceeding £1.

#### **Appointment of trustees**

The Trustee Board for the Company is made up of a maximum of 12 members: the honorary officers plus up to 9 members. Honorary officers and members are elected at an Annual General Meeting. The Trustee Board may also co-opt members to fill skills gaps, provided that the number of co-opted members does not make up more than one-third of the Trustee Board's membership.

#### **Trustee recruitment**

Trustee recruitment is carried out according to policies which are reviewed on a regular basis. Potential trustees are invited to observe a trustee meeting and interviewed by the Chair and/ or another trustee.

#### **Trustee induction and training**

New trustees participate in an induction programme led by the Chief Executive Officer. They are invited to meet with key staff in the organisation and visit a range of services and are provided with an induction pack containing the Memorandum and Articles of Association, latest annual report and financial statements, strategic plan and key policies and procedures. Trustees participate in internal and external training, including an annual away day.

#### **Organisational structure**

The Trustee Board governs the charity and usually meets 8 times a year. The Trustee Board appoints a Chief Executive Officer to manage the day-to-day operations of the charity. The Chief Executive Officer attends Trustee Board meetings and advises and reports to the Trustees. Trustees papers are prepared and circulated in advance of each meeting. Papers include an easy read summary to improve accessibility for people with a learning disability.

#### **Risk management and control**

The Trustee Board has a formal risk management strategy which enables it to identify and mitigate the major risks to which the charity is exposed. The strategy consists of:

- an annual review of the risks which the charity may have to face;
- the establishment of systems and procedures to mitigate those risks;
- the implementation of procedures designed to report on and minimise any potential impact on the charity should any of those risks materialise.

# **Sutton Mencap Charity Company**

The principal risks, and actions taken to mitigate them are grouped under the following headings:

## ***Governance***

Procedures are in place to monitor the success of recruitment and the mix of skills and life experiences trustees bring to the organisation. Effective decision making is monitored through the adoption and delivery of strategic plans.

## ***Finance***

Trustees consider management accounts, cash flow, and unpaid debts on at least a quarterly basis and confirm that in their view the organisation is going concern. Trustees ensure the charity operates effective financial controls to mitigate the potential for fraud or error.

## ***Staffing and volunteering***

Trustees receive regular reports on staffing levels and staff recruitment. Trustees ensure the charity operates clear policies on staff recruitment, management and training, disciplinary and grievance procedures, as well as operational policies and procedures.

## ***Legal compliance***

Trustees ensure the charity has a range of up to date policies in place and seeks external advice and expertise where required to ensure legal compliance.

## ***Service delivery***

Trustees receive regular reports from staff on service delivery issues. They also monitor service user feedback and compliance with contract and grant requirements from funders. Trustees allocate resources for quality assurance systems and staff training, including resources devoted to meeting safeguarding responsibilities.

## ***Buildings, plant and equipment***

Trustees consider premises requirements and compliance with the building lease. Trustees allocate resources for building and equipment maintenance and monitor expenditure.

## ***External relationships and environment***

Trustees ensure the charity maintains appropriate relationships with key local and national bodies and keeps abreast of changes in local and national policy which could have an impact on the charity.

## ***Strategic plan***

Trustees agreed a 5-year strategic plan which began on 1<sup>st</sup> April 2019. The plan is centred around an agreed vision, which is that all people with a learning disability should be able to lead fulfilling lives and achieve their aspirations and potential.

Sutton Mencap's overall aim is to improve the lives of children and adults with a learning disability and their carers by:

- Reducing isolation and developing networks;
- Improving life skills, promoting independence and enabling choice and control;
- Supporting parents and carers; and
- Raising awareness of needs and promoting inclusion.

# Sutton Mencap Charity Company

The specific strategic objectives in the new plan are set out under 3 broad headings:

## 1. *Service development*

- To increase local provision of specialist service for children and adults and support for people during transition to adulthood.
- To strengthen our role in supporting service users to identify and meet individual goals.
- To help individuals and families have access to specialist advice and support.
- To ensure safeguarding remains embedded in every aspect of service delivery.

## 2. *Community development*

- To support people with a learning disability to develop a stronger collective voice and work with other communities to achieve social change.
- To increase participation of children and adults with a learning disability in mainstream activities through providing organisations with training and support alongside direct support to individuals.

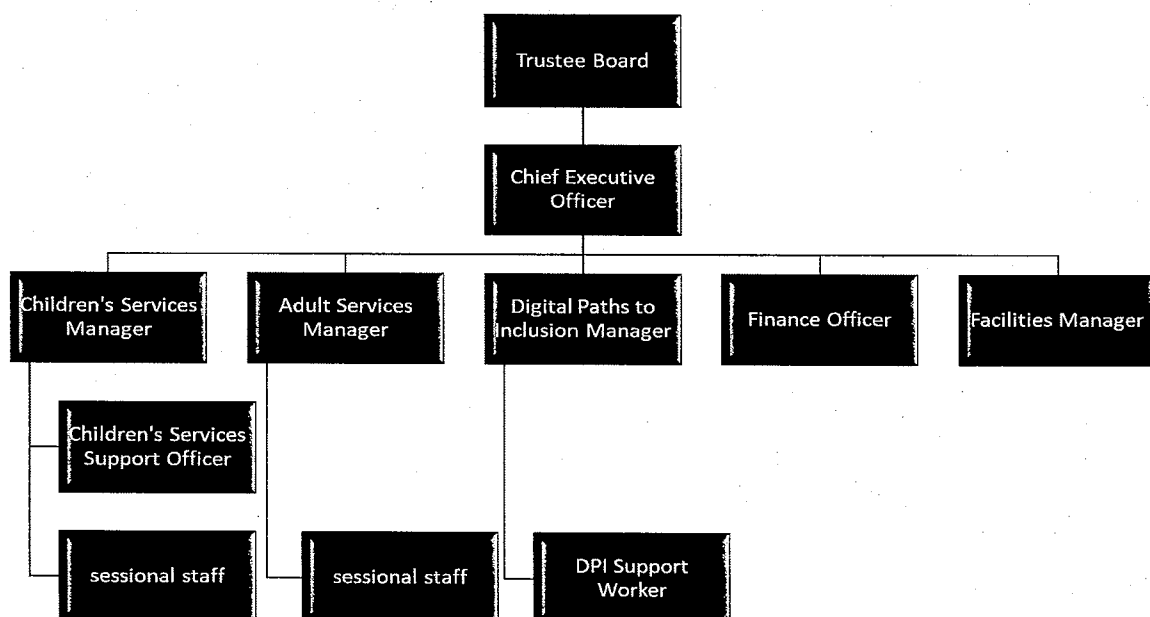
## 3. *Service support*

- To ensure Sutton Mencap's current and future premises and infrastructure needs are met.
- To maximise efficiencies and service improvement through further use of digital technology.
- To maintain income levels through fundraising and appropriate pricing of services.
- To ensure staffing arrangements are in place to support delivery of the plan.

These objectives are used to set an annual delivery plan for the organisation. Trustees monitor progress towards delivering the plan on a quarterly basis.

## Organisation structure

As at 31<sup>st</sup> March 2022, Sutton Mencap's organisation structure was as follows:



# **Sutton Mencap Charity Company**

## **Procedures for setting staff salaries**

The trustees have an established system for setting pay and remuneration for key management personnel which takes account of salary levels for similar local charities as well as existing posts within the organisation. Salary levels are reviewed annually and take account of comparative local and national trends as well as the financial performance of the organisation.

## **Developments, activities and achievements during the year**

### **Introduction**

The trustees begin their report on activities for the year by paying tribute to the managers and staff at Sutton Mencap for their hard work and dedication in delivering services in such difficult circumstances. Trustees acknowledge the challenges faced by staff, having to adapt the way they worked to provide high quality services whilst protecting service users and themselves from Covid infection. They did this incredibly well and the trustees are delighted to highlight the role they played.

### **Strategic priority 1: Service development**

#### ***Increasing provision for children and young people***

We were pleased to be able to provide a wide range of in-person services for children and young people in spite of the challenges and limitations presented by Covid. We began the year running after school and Saturday services plus occasional holiday services. We were then able to re-open our in-house school holiday services on a full-time basis from the summer of 2021.

Throughout the year the number of children attending each service was lower than would have been the case prior to the pandemic. Initially this was due to infection control measures which reduced group sizes. As the year went on, other issues had an impact, in particular staff availability, at times exacerbated by staff sickness absence and/ or the need to isolate. The pandemic also reduced our capacity to take on new children to replace those who had outgrown the services.

Our Phoenix Rangers service did not run during the year. This was due to insufficient numbers of referrals, resulting in the service not being viable. We are working with the council to identify whether there will be sufficient demand for the service in the future.

Overall, we provided just over 4,300 hours of services to children and young people during the year. Whilst this is a significant increase on the previous year when the pandemic was at its height, it is still around 4,000 hours down on the last full year before the pandemic.

We were however able to run a more usual set of activities for the children attending. These included art, messy play, outdoor activities, visits to local community venues plus working with specialist providers to bring in specialist activities like circus skills and cricket. Given the challenges faced during the year, we feel it was fantastic achievement to run these services.

## **Sutton Mencap Charity Company**

### ***Increasing provision for adults***

Despite the impact of the pandemic, we continued to provide face to face and online services for adults with a learning disability throughout the year. We began the year running a single day service group each weekday. We were able to reopen our Breakaways Friday group in May and our Art Café service in June. By the autumn we were able to add additional day service groups as well as our Saturday Breakaways group and the weekends away service. Remaining adult service leisure groups reopened in January 2022.

We also ran a wide range of online groups for a number of months. These proved very popular, but with the reopening of face to face groups, numbers began to decline. The final online group ended in December, to coincide with the reopening of our leisure groups.

We were also pleased to offer a new time-limited programme called Step By Step. This involved the delivery of a number of activity groups throughout the summer and autumn aimed at increasing people's confidence in returning to social activities. These were very successful, and we are grateful to the London Borough of Sutton's Covid Recovery Fund for providing a grant to cover the costs of delivery.

As with children's services, the number of hours of service delivery for our adults was significantly lower than prior to the pandemic. As an example, we delivered approximately 15,000 hours of day service during the year, down from over 20,000 hours prior to the pandemic. The reduction in service user hours for adults was in the main due to specific infection control measures at the start of the year, such as limiting the size of groups, or not taking on people who were unable to maintain social distancing. As the year progressed, services returned to more usual levels, although staff absence due to sickness continued to have a sporadic impact on our ability to deliver a full programme.

Despite these limitations, we are proud of our efforts to delivery adult services throughout the year and can point to some notable successes in service delivery. We made much more use of community venues than was the case at the height of the pandemic. We were also very pleased to identify an alternative venue for our weekends away whilst our usual venue was refurbished. We were also delighted that our Art Café were asked to design an e-Christmas card for the leader of the council.

### ***Identifying and meeting individual goals***

Our key priority for the year in relation to services for children and adults was to build up confidence in participating in community activities. Our experience has been that many people who previously used our services were unsure about whether to attend group-based activities and how they could stay as safe as possible in other environments. Across our services, we made considerable efforts to build our clients' confidence. This work included engaging with clients and carers over their individual concerns, doing everything we could to maintain a Covid-free environment and developing specialist activity groups through the Step by Step programme. As a result of these efforts, we are pleased to report that nearly all our previous clients returned to some services with us over the year.



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## ***Access to specialist advice and support***

We worked closely with voluntary sector colleagues throughout the year to develop a range of advice and support services for Sutton residents under the Making Informed Choices programme. A successful tender to deliver the programme was led by Community Action Sutton and we look forward to working with them to ensure the service develops to meet the needs of people with a learning disability and their families.

## ***Safeguarding***

Safeguarding remains a key priority for us, and throughout the year we worked with council and other colleagues to protect children and vulnerable adults whom we support. We saw an increase in this work throughout the year, which we believe was a result of the increased pressure faced by families during the pandemic.

We also revised our staff training programme, which included the introduction of new online safeguarding courses, accessed via the local Safeguarding Partnership.

## **Strategic Priority 2: Community development**

### ***Developing a stronger collective voice for people with a learning disability***

Our new Digital Paths to Inclusion (DPI) project started in April 2021 with funding from the City Bridge Trust. DPI aims to use digital technology to strengthen the voice of local people with a learning disability through the production of films, podcasts and social media posts to talk about the issues that matter to them. We also participated in a Royal Mencap Society project called Let's Get Digital, which enabled us to distribute 20 tablet computers to people with a learning disability and provide bespoke training and support in their use.

The first year of the DPI project has been enormously successful. During the year we worked with around 50 people to identify issues we should cover and supported them to produce a wide range of digital content, including 16 films and 8 radio shows. We are delighted the project received the award for innovation at the Sutton Community Awards in February 2022.

We also worked hard to ensure that the needs of people with a learning disability were reflected in local policies, in particular the new Learning Disability Strategy developed by the London Borough of Sutton and the local NHS.

### ***Increasing participation in mainstream activities***

Work in this area was made more difficult as a result of the pandemic, with many community venues closed or limiting access for much of the year. That said, we saw some notable successes during the year:

- We worked with colleagues at Volunteer Centre Sutton to develop a Sports Buddy scheme. The aim of the project was to match disabled people with a buddy who would support them to take part in local sporting activities.
- We continued to service the Sutton Sports Inclusion Group, a multi-agency partnership which aims to promote greater access for disabled people to local sports facilities.
- Our Step by Step programme included a very successful indoor cricket group delivered at a local leisure centre.

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## **Strategic Priority 3: Service support**

### ***Meeting current and future premises and infrastructure needs***

Covid dominated much of our work on premises and infrastructure during the year. This work was wide ranging, including regular updates to risk assessments, ensuring cleaning regimes were maintained and monitoring ventilation and social distancing requirements. This work was costly, both in terms of the additional materials required and the limitations it placed on service delivery. We were grateful to receive a grant of £5,000 from the Covid Infection Control Fund, however this did not come close to covering the additional costs and losses we incurred as a result of Covid.

### ***Maximising efficiency through digital technology***

Sutton Mencap has had strong focus for a number of years on how to use digital technology to improve the management of services. During the year, we increased the use made of our online HR portal, in particular its functions around management of staff training. We also began plans to provide a Sutton Mencap e-mail address and access to our SharePoint system for all Sutton Mencap staff. Our aim is to complete this work over the summer of 2022.

### ***Maintaining income levels***

The pandemic had a significant impact on our income during the year. A combination of social distancing requirement and staff shortages, sometimes as a result of sickness absence, meant the number of people attending each service was much lower than prior to the pandemic. This resulted in much lower income than we had hoped for at the beginning of the year.

We were however able to implement a number of changes to the way we receive payment for our services, which should speed up payments to us. We have worked with the council and its contractor to set annual service costs for each of the adult places purchased by them. This will support a system of regular scheduled payments for these clients. We also agreed new terms and conditions for our Direct Payment-funded clients.

With inflation rising from the start of 2022, it was necessary to review the prices we charge for services. Despite significant increases in costs, we were able to limit price increases to 5%. We believe that this increase, combined with increased service levels, will be sufficient for us to return to a breakeven position in 2022-23.

We also received some excellent news during the year regarding a sizeable legacy that was due to be paid to us. Our expectation is that this will be received during the summer of 2022.

### ***Ensuring staffing arrangements are in place to support delivery***

At the beginning of the year, numbers of staff and the hours they worked remained low. We were able to draw on the Covid Job Retention scheme (the furlough scheme) to ensure staff were adequately supported for the period up to the autumn of 2021.

As the impact of the pandemic lessened and we sought to expand services, it was necessary to recruit a significant number of new staff. We therefore put in place a number of plans to do this, including investing in a new online staff recruitment

## **Sutton Mencap Charity Company**

portal, improved recruitment and selection procedures and increased advertising of posts, especially at local colleges and universities.

Trustees also decided that Sutton Mencap should become a London Living Wage employer from 1<sup>st</sup> April 2022. This is in recognition of the hard work and dedication of the staff team and acknowledges the high quality of the support we demand for our clients. It also recognises the increased cost of living which will have a significant impact on staff over the coming year. The increase in pay will be funded mainly through increased service provision.

As a result of these measures we feel we are in a strong position to attract sufficient staff to deliver an expanded range of services in 2022-23.

### **Financial review**

The year ended 31 March 2022 was, as the previous year, hugely impacted by the Coronavirus pandemic, and resulted in an overall shortfall of £56,129 which was only slightly better than our planned loss for the year. This loss was due to service levels in all areas being lower than anticipated. They all produced contributions but in total were insufficient to meet our core fixed costs.

Comparisons with the budget and last year's actuals are somewhat meaningless. Our income for the year of £591,671 was lower than 2021 by £48,609, and total costs amounting to £647,800 were lower than the previous year by £30,756. This resulted in an increase of expenditure over income of £56,129.

We managed to maintain our level of overhead expenditure at £289,000 (the majority of which are fixed) at last year's level. Computer maintenance costs, lower printing costs and not running a second minibus were the major contributors to these savings. However, they have been offset by lower than expected fundraising income, building maintenance, and higher costs in relation to the furlough scheme.

There was no expenditure on Capital items during the year, and the reduction in Fixed Assets is the result of depreciation charges.

Continual pressure on Sutton Council to speed up the payment of long outstanding invoices has shown results and they finally have been paid. We have now an agreed procedure in place to facilitate prompt payment.

Cash is invested in short- and medium-term bank deposits. The shortfalls this year and last year have impacted adversely on cash flow, and funds have dropped to £109,836 at the end of the year. The Accounting Standard requires the production of a Cash flow Statement, and this has been included in the annual report.

The Balance Sheet reflects the deficit for the year with total funds down in total from last year, but continue to provide a confidence to our clients, staff and trustees that we will be able to continue to provide services, we trust, for many years to come. Suffice to say under this heading, Sutton Mencap's finances are currently in reasonable shape, and we must continue to strive to meet 2014 levels.

We are confident that 2022/23 will return Sutton Mencap to surplus and the first quarter results indicate that this is achievable.

## **Sutton Mencap Charity Company**

At the time of writing this report, we have received a substantial legacy, and this will allow us to replenish lost reserves and invest in plans for service expansion. The more services we can provide will generate a surplus of funds which can be invested in benefits for all our service users.

### **Reserves policy**

Sutton Mencap requires an appropriate level of reserves to enable it to achieve the following objectives:

- Primarily, to ensure that Sutton Mencap is able to survive unexpected set-backs, including short term funding issues, and problems arising from internal or external causes.
- To provide the option of developing new services or expand current ones in line with the changing needs of the community.

Trustees consider it prudent for Sutton Mencap to hold a level of reserves to meet its primary objective equivalent to 3 months' average expenditure, excluding fixed-term, grant-funded activities. Trustees have also set a target of 6 months expenditure to enable them meet the second objective of developing or expanding services.

### **Public benefit**

Charity law requires that the Board of Trustees pay due regard to the public benefit guidance published by the Charity Commission and have a duty to achieve the purposes of the charitable company. In setting the charity's objectives, planning its activities and reviewing all proposed activities, the Trustees have given careful consideration to the Charity Commission's general guidance on public benefit. The Trustees review and approve the annual budget and periodically review the financial performance and reports of the company to ensure that it is operating in a manner consistent with achieving its purposes. In addition, the Trustees are of the opinion that the policies and procedures in place are sufficiently robust to ensure that the charity achieves its purpose.

# Sutton Mencap Charity Company

## Responsibilities of the Trustee Board

The trustees are also directors of Sutton Mencap for the purposes of company law and are responsible for preparing the Trustees Annual Report and Financial Statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

Company law requires that the Trustees prepare financial statements for each financial year, which give a true and fair view of the state of affairs of the charitable company as at the balance sheet date and of its incoming resources and application of resources, including income and expenditure, for that period. In preparing those financial statements the Board of Trustees is required to:

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charities SORP 2015 (FRS102);
- 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 charitable company will continue in operation.

The Board of Trustees is responsible for keeping adequate accounting records that disclose with reasonable accuracy, at any time, the financial position of the charitable company 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 charitable company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Approved by the Trustees and signed on their behalf by:

Paul L Solomon PAUL SOLOMON CA. Date 19/10/2022

M. Peart MAVIS PEART Date 2/11/22

# Sutton Mencap Charity Company

## Independent Examiner's Report to the Trustees of Sutton Mencap Charity Company

I report to the charity trustees on my examination of the accounts of the company for the year ended 31<sup>st</sup> March 2021 which are set out on pages 15 to 25.

### Responsibilities and basis of report

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

Having satisfied myself that the accounts of the company 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 your company's accounts as carried out under section 145 of the Charities Act 2011 ('the 2011 Act'). In carrying out my examination I have followed the Directions given by the Charity Commission under section 145(5)(b) of the 2011 Act.

### Independent examiner's statement

Since the company'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 Institute of Chartered Accountants in England and Wales, 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 company as required by section 386 of the 2006 Act; or
2. the accounts do not accord with those records; or
3. the accounts 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 accounts 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 accounts to be reached.



K C Fisher FCA  
c/o Myrus Smith  
Chartered Accountants  
Norman House, 8 Burnell Road,  
Sutton, Surrey. SM1 4BW

Date: 21 November 2022

# Sutton Mencap Charity Company

## Statement of Financial Activities and Income & Expenditure Report for the year to 31 March 2022

	Note	Restricted Funds £	Unrestricted Funds £	2022 Total £	2021 Total £
<b><u>Income and endowments</u></b>					
Donations and legacies	3	2,829	7,424	10,253	43,254
Other trading activities	4	-	5,158	5,158	6,539
Investment income	5	-	95	95	1,064
<b>Income from charitable activities</b>					
Grants	6	102,856	5,000	107,856	407,789
Fees from services for children and young people		-	215,054	215,054	92,726
Fees from services for adults		-	253,255	253,255	88,908
<b><u>Total income and endowments</u></b>		<b>105,685</b>	<b>485,986</b>	<b>591,671</b>	<b>640,280</b>
<b><u>Expenditure</u></b>					
Expenditure on raising funds		-	12,045	12,045	11,921
Expenditure on charitable activities	7	103,360	532,395	635,755	666,635
<b><u>Total expenditure</u></b>		<b>103,360</b>	<b>544,440</b>	<b>647,800</b>	<b>678,556</b>
Net income/ (expenditure)	9	2,325	(58,454)	(56,129)	(38,276)
Transfers between funds		-	-	-	-
Net movement in funds	16	2,325	(58,454)	(56,129)	(38,276)
<b><u>Reconciliation of funds</u></b>					
Total funds brought forward		12,809	161,738	174,547	212,823
<b>Total funds carried forward</b>		<b>15,134</b>	<b>103,284</b>	<b>118,418</b>	<b>174,547</b>

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

All incoming resources and resources expended derive from continuing activities.

# Sutton Mencap Charity Company

Balance Sheet at 31 March 2022  
Company Registration Number 03915936

	Note	2022 £	2021 £
<b>Fixed Assets</b>			
Tangible Fixed Assets	12	<u>8,582</u>	<u>21,215</u>
<b>Current Assets</b>			
Debtors	13	89,965	65,353
Cash at Bank and in hand		<u>127,253</u>	<u>180,278</u>
		217,218	245,631
<b>Liabilities:</b>			
Creditors	14	107,382	92,299
<b>Net Current Assets</b>		109,836	153,332
<b>Total Assets less Current Liabilities</b>		<u>118,418</u>	<u>174,547</u>
<b>Funds</b>			
Unrestricted Fund	16	90,284	148,738
Designated Fund	16	13,000	13,000
Restricted Funds	16	15,134	12,809
		<u>118,418</u>	<u>174,547</u>

For the year ended 31 March 2022 the company was entitled to exemption under section 477 of the Companies Act 2006 relating to small companies.

No members have required the company to obtain an audit of its accounts for the year in question in accordance with section 476 of the Companies Act 2006.

The directors acknowledge their responsibility for complying with the requirements of the Act with respect to accounting records and for the preparation of the accounts.

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

Approved by the Trustees on

Signed on behalf of the Trustees

MAVIS PEART  
Name: M. Peart  
Date: 2/11/22

Paul Solomon  
Name: PAUL SOLOMON CA  
Date: 19/10/2022



# Sutton Mencap Charity Company

## Statement of cash flows for the year to 31 March 2022

	Note	Total funds March 2022 £	Total funds March 2021 £
<b>Net Cash provided by operating activities</b>	19	<u>(53,120)</u>	<u>12,549</u>
<b>Cash flows from investing activities</b>			
Interest income		95	1,064
Transfer from investment		0	85,000
<b>Net cash (used in)/ provided by investing activities</b>		<u>95</u>	<u>86,064</u>
<b>Change in cash and cash equivalents</b>		(53,025)	98,613
Cash and cash equivalents brought forward		180,278	81,665
<b>Cash and cash equivalents carried forward</b>		<u>127,253</u>	<u>180,278</u>
<b>Analysis of cash and cash equivalents</b>			
Cash at bank and in hand		<u>127,253</u>	<u>180,278</u>

# Sutton Mencap Charity Company

## Notes to the financial statements for the year ended 31 March 2022

### 1) Accounting Policies

#### **Basis of preparation and assessment of going concern**

The charity constitutes a public benefit entity as defined by FRS 102. The financial statements have been prepared in accordance with Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland issued in October 2019, the Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland (FRS 102), the Charities Act 2011, the Companies Act 2006 and UK Generally Accepted Accounting Practice.

The financial statements are prepared on a going concern basis under the historical cost convention. The financial statements are presented in sterling which is the functional currency of the charity.

The significant accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all years presented unless otherwise stated.

The trustees consider that there are no material uncertainties about the Charity's ability to continue as a going concern.

#### **Income recognition**

Items of income are recognised in the financial statements when all of the following criteria are met:

- the charity has entitlement to the funds;
- any performance conditions have been met or are fully within the control of the charity;
- there is sufficient certainty that receipt of the income is considered probable; and
- the amount can be measured reliably.

The charity received government support through the Coronavirus Job Retention Scheme (CJRS) which is accounted for on the accrual basis, and is included under Grants received (Note 6).

#### **Expenditure recognition**

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

- Costs of raising funds which comprises those costs associated with attracting general donations.
- Expenditure on charitable activities which comprises the costs of running various activities and services for the charity's beneficiaries.

Expenditure includes those costs of a direct nature which can be allocated to specific activity. It also includes indirect costs, including governance costs that do not relate to a specific activity but are necessary to support them. Support costs are apportioned to each activity on the basis of the number of hours of service provided and staff time.

#### **Fund accounting**

Unrestricted general funds are those which are freely available for the use in furtherance of the objects of the charity and which have not been designated for specific purposes.

Designated funds are unrestricted funds set aside by the trustees for specific purposes.

# Sutton Mencap Charity Company

## Notes to the financial statements for the year ended 31 March 2022 (continued)

### 1) Accounting Policies (continued)

Restricted funds are funds which can only be used in accordance with specific restrictions imposed by the donor or which have been raised for a particular purpose.

#### Depreciation

Depreciation is provided at rates calculated to write off the cost of fixed assets, less their estimated residual value, over their expected useful lives as per note 12.

#### Pension scheme

The charity operates a defined contribution pension scheme. Contributions payable to the scheme are charged to the Statement of Financial Activities in the period to which they relate.

### 2) Legal status of the charity

The charity is a company limited by guarantee and has no share capital. The liability of each member in the event of winding-up is limited to £1.

### 3) Donations and Legacies

	Restricted	Unrestricted	2022 Total	2021 Total
	£	£	£	£
Donations	2,829	7,424	10,253	43,254
	<b>2,829</b>	<b>7,424</b>	<b>10,253</b>	<b>43,254</b>

All of the £43,254 recognised in 2021 related to unrestricted funds.

### 4) Other trading activities

	Restricted	Unrestricted	2022 Total	2021 Total
	£	£	£	£
Rent received	-	3,900	3,900	3,900
Fundraising activities	-	1,248	1,248	2,639
Fees and earned income	-	10	10	-
		<b>5,158</b>	<b>5,158</b>	<b>6,539</b>

All of the £6,539 recognised in 2021 related to restricted funds.

### 5) Investment income

	Restricted	Unrestricted	2022 Total	2021 Total
	£	£	£	£
Interest received	-	95	95	1,064
	<b>-</b>	<b>95</b>	<b>95</b>	<b>1,064</b>

All of the £1,064 recognised in 2021 related to unrestricted funds.

# Sutton Mencap Charity Company

## Notes to the financial statements for the year ended 31 March 2022 (continued)

### 6) Grants received

	Restricted	Unrestricted	2022 Total	2021 Total
City Bridge Trust	50,100	-	50,100	52,100
HMRC Coronavirus job retention scheme	24,709	-	24,709	166,737
London Borough of Sutton Covid Recovery Fund	21,196	-	21,196	-
Covid Infection Control Fund	-	5,000	5,000	10,000
Royal Mencap Society Lets Get Digital	3,851	-	3,851	2,000
Gary Kesner Trust	3,000	-	3,000	3,000
London Borough of Sutton fixed costs	-	-	-	157,452
Coronavirus Community Support Fund	-	-	-	9,900
London Community Response Fund	-	-	-	6,600
	<b>102,856</b>	<b>5,000</b>	<b>107,856</b>	<b>407,789</b>

Of the £407,789 recognised in 2021, 238,337 related to restricted funds.

### 7) Charitable activities

	Restricted	Unrestricted	2022 Total	2021 Total
	£	£	£	£
Staff costs (excluding fundraising and governance)	75,307	397,602	472,909	547,430
HR and training costs	-	11,439	11,439	7,174
Minibus costs	-	5,359	5,359	3,158
Accommodation costs	4,040	50,278	54,318	51,916
Direct project costs (excluding staff costs)	15,931	33,228	49,159	12,896
Depreciation	1,258	11,375	12,633	12,736
Governance costs	-	9,510	9,510	8,316
Administration and office costs	6,824	13,604	20,428	23,009
	<b>103,360</b>	<b>532,395</b>	<b>635,755</b>	<b>666,635</b>

Of the £666,635 recognised in 2021, £241,247 related to restricted funds.

# Sutton Mencap Charity Company

## Notes to the financial statements for the year ended 31 March 2022 (continued)

### 8) Staff Costs

	2022	2021
	£	£
Wages and salaries (including redundancy costs)	454,568	505,190
Employer's National Insurance	30,553	30,345
Staff Pensions	14,186	14,238
Holiday pay accrual	(5,653)	17,408
Employment allowance	(4,000)	(4,000)
	<b>489,654</b>	<b>563,181</b>

Total employee benefits for key management personnel amounted to £138,380 (2021: £134,003)

No employee earned £60,000 per annum or more.

No trustee received remuneration during the year.

The average number of full-time equivalent employees were:

	2022	2021
Chief Executive Officer	1	1
Administration and finance	1	1.4
Children and young people's services	6.8	5.9
Adult services	9	9.1
Digital Paths to Inclusion	1.2	0

### 9) Net income/ expenditure for the year

This is stated after charging

	2022	2021
	£	£
Depreciation	12,633	12,737
Independent examination fee	2,936	2,760
	<b>15,569</b>	<b>15,497</b>

### 10) Trustees Emoluments & Expenses

No Trustees received emoluments or expenses during the year. Training course and trustee event expenses amounting to £325 (2021: £0) were paid on behalf of 11 trustees.

### 11) Taxation

The charitable company is exempt from corporation tax on its charitable activities

# Sutton Mencap Charity Company

## Notes to the financial statements for the year ended 31 March 2022 (continued)

### 12) Tangible fixed assets

	Leasehold Property	Furniture Fittings Fixtures	Office Equipment	Motor Vehicle	Garden	Total
	£	£	£	£	£	£
<b>Cost</b>						
As at 1 April 2021	469,699	48,543	15,228	22,500	14,484	570,453
Additions	-	-	-	-	-	-
Disposals	-	-	-	-	-	-
As at 31 March 2022	<b>469,699</b>	<b>48,543</b>	<b>15,228</b>	<b>22,500</b>	<b>14,484</b>	<b>570,453</b>
<b>Depreciation</b>						
At 1 April 2021	464,939	41,005	7,552	21,260	14,481	549,237
Charge for the year	3,163	4,084	5,076	310	0	12,633
Eliminated on disposals	-	-	-	-	-	-
At 31 March 2022	<b>468,102</b>	<b>45,089</b>	<b>12,628</b>	<b>21,570</b>	<b>14,481</b>	<b>561,870</b>
<b>Net Book Value</b>						
At 31 March 2022	<b>1,597</b>	<b>3,454</b>	<b>2,600</b>	<b>930</b>	<b>-</b>	<b>8,582</b>
At 31 March 2021	<b>4,760</b>	<b>7,539</b>	<b>7,676</b>	<b>1,240</b>	<b>-</b>	<b>21,215</b>
Depreciation rates	15 years straight line Lease period	25% reducing balance	25% reducing balance	25% reducing balance	10 years straight line	

### 13) Debtors

	2022	2021
	£	£
Prepayments	23,170	13,977
Debtors	69,795	54,376
Less: provision for bad debts	(3,000)	(3,000)
	<b>89,965</b>	<b>65,353</b>

# Sutton Mencap Charity Company

## Notes to the financial statements for the year ended 31 March 2022 (continued)

### 14) Creditors - Amounts falling due within one year

	2022	2021
	£	£
Accruals	5,840	5,569
Holiday pay accrual	26,925	32,577
Deferred income	37,000	14,620
Creditors	1,198	1,875
Payroll creditors	36,419	37,658
	<b>107,382</b>	<b>92,299</b>

### 15) Obligations under lease

At the 31 March 2022 the charity was committed to making the following lease payments under non-cancellable leases

	Photocopier	Franking Machine	Land and Buildings	Photocopier	Franking Machine	Land and Buildings
	2022	2022	2022	2021	2021	2021
	£	£	£	£	£	£
Within one year	1,629	683	15,000	1,642	683	20,000
Between one and five years	5,024	399	-	6,653	1,082	15,000
<b>Total</b>	<b>6,653</b>	<b>1,082</b>	<b>15,000</b>	<b>8,295</b>	<b>1,765</b>	<b>35,000</b>

The trustees of Sutton Mencap have entered into a lease of 8 Stanley Park Road for 25 years from 25 December 1997 at the current rental of £20,000 per annum. Rental is funded via a payment from the London Borough of Sutton.

### 16) Movement in funds

	Balance as at 1.4.21	Income	Expenditure	Transfers	Balance as at 31.3.22
	£	£	£	£	£
<b>Unrestricted funds</b>					
General fund	148,738	485,986	(544,440)	-	90,284
Redundancy fund	13,000	-	-	-	13,000
<b>Total unrestricted funds</b>	<b>161,738</b>	<b>485,986</b>	<b>(544,440)</b>	<b>-</b>	<b>103,284</b>

# Sutton Mencap Charity Company

## Notes to the financial statements for the year ended 31 March 2021 (continued)

### 16) Movement in funds (continued)

	Balance as at 1.4.21	Income	Expenditure	Transfers	Balance as at 31.3.22
<b>Restricted funds</b>					
City Bridge Trust	-	50,100	(47,849)	-	2,251
HMRC JRS grant	-	24,709	(24,709)	-	-
LBS Covid Recovery Fund	-	21,196	(21,196)	-	-
Royal Mencap Lets Get Digital	-	3,851	(2,694)	-	1,157
Gary Kesner Trust	-	3,000	(3,000)	-	-
Minibus Fund	4,429	2,829	-	-	7,258
Wakelen Conservatory Fund	5,065	-	(1,226)	-	3,839
DM Thomas Foundation	1,887	-	(1,258)	-	629
London Community Response Fund	1,428	-	(1,428)	-	-
<b>Total restricted funds</b>	<b>12,809</b>	<b>105,685</b>	<b>103,360</b>	<b>-</b>	<b>15,134</b>
<b>Total funds</b>	<b>174,547</b>	<b>591,671</b>	<b>647,800</b>		<b>118,418</b>

2021 Comparative information for the net movement in funds is as follows:

	Balance as at 1.4.20	Income	Expenditure	Transfers	Balance as at 31.3.21
	£	£	£	£	£
<b>Unrestricted funds</b>					
General fund	184,104	401,943	(437,309)	-	148,738
Redundancy fund	13,000	-	-	-	13,000
<b>Total unrestricted funds</b>	<b>197,104</b>	<b>401,943</b>	<b>(437,309)</b>	<b>-</b>	<b>161,738</b>

	Balance as at 1.4.20	Income	Expenditure	Transfers	Balance as at 31.3.21
<b>Restricted funds</b>					
HMRC JRS grant	-	166,737	(166,737)	-	-
City Bridge Trust	-	52,100	(52,100)	-	-
Coronavirus Community Support Fund	-	9,900	(9,900)	-	-
London Community Response Fund	-	6,600	(5,172)	-	-
Gary Kesner Trust	-	3,000	(3,000)	-	-
Minibus fund	4,429	-	-	-	4,429
DM Thomas Foundation	3,145	-	(1,258)	-	1,887



# Sutton Mencap Charity Company

## Notes to the financial statements for the year ended 31 March 2022 (continued)

### 16) Movement in funds (continued)

Wakelen Conservatory Fund	6,219	-	(1,154)	-	5,065
Sensory Room	1,926	-	(1,926)	-	-
<b>Total restricted funds</b>	<b>15,719</b>	<b>238,337</b>	<b>(241,247)</b>	<b>-</b>	<b>12,809</b>
<b>Total funds</b>	<b>212,823</b>	<b>640,280</b>	<b>678,556</b>	<b>-</b>	<b>174,547</b>

### 17) Analysis of net assets between funds

	Restricted funds	Unrestricted funds	Total funds
	£	£	£
Tangible fixed assets	629	7,953	8,582
Net current assets	14,505	95,331	109,836
	<u>15,134</u>	<u>103,284</u>	<u>118,418</u>

Funds are used for the provision of services and for works to the property that is used in the provision of these services.

### 2021 Comparative information for the net movement in funds is as follows:

	Restricted funds	Unrestricted funds	Total funds
	£	£	£
Tangible fixed assets	5,082	16,133	21,215
Net current assets	7,727	145,605	153,332
	<u>12,809</u>	<u>161,738</u>	<u>174,547</u>

### 18) Pension commitments

The charity operates a defined contribution pension scheme. The assets of the scheme are held separately from those of the Charity in an independently administered fund. The pension cost charge represents contributions payable by the company to the fund and amounted to £14,186 (2021: £14,238)

At 31 March 2022 £2,354 of contributions were payable and included in creditors. (2021: £1,929)

### 19) Reconciliation of net movement in funds to net cash flow from operating activities

	2022 £	2021 £
Net movement in funds	(56,129)	(38,276)
Add back depreciation charge	12,633	12,737
Deduct interest income shown in investing activities	(95)	(1,064)
Decrease/ (increase) in debtors	(24,612)	22,084
(Decrease)/ increase in creditors	15,083	17,068
	<u>(53,120)</u>	<u>12,549</u>

### 20) Contingent Assets

Total grant funding awarded as at 31 March 2022 but not yet received and recognised as income due to the recognition criteria not being met amounts to £54,200.

