



**Sutton Mencap Charity Company**

**Annual Report and Financial Statements  
For the year ended 31 March 2023**

Charity number: 1080514  
Company number: 03915936

# **Sutton Mencap Charity Company**

## **Annual Report and Financial Statements**

**Year ended 31 March 2023**

<b>Contents</b>	<b>Page</b>
Company information	3
Report of the trustees	4
Responsibilities of the Trustee Board	12
Auditor's report	13
Statement of financial activities	16
Balance sheet	17
Statement of cash flows	18
Notes to the financial statements	19

# 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 (to September 2022)

Trustee: Dennis Henstock

Trustee: Michele Humphreys

Trustee: Edwina Morris

Trustee: Michelle Perrett

Trustee: Amit Srivastava

Trustee: Simon Vines

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

### Auditor

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

# **Sutton Mencap Charity Company**

## **Report of the Trustees**

Year ended 31 March 2023

### **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;



# Sutton Mencap Charity Company

- the implementation of procedures designed to report on and minimise any potential impact on the charity should any of those risks materialise.

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. Financial regulations are reviewed on an annual basis.

## ***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:

# Sutton Mencap Charity Company

- 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.

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.

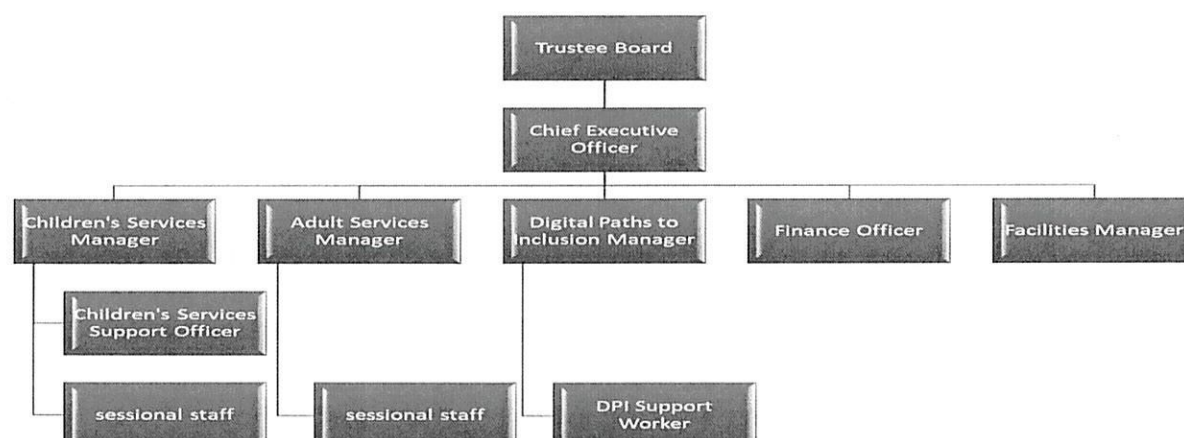
## 3. *Service support*

- 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 2023, 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.

Sutton Mencap is a London Living Wage Employer.

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

### **Introduction**

During the year to 31<sup>st</sup> March 2023 we saw some significant changes in comparison to the immediate years before. In particular, the impact of Covid19 declined, allowing us to return to something very close to business as usual. That said, the pandemic continued to have an impact. We experienced quite high levels of staff sickness at the beginning of the year which affected service delivery. The pandemic also resulted in reduced numbers of staff and service users, as a result of our not having taken on many new people in the previous two years. We also had to continue to comply with changing regulations around managing risk, including changes to testing regimes, which stayed more rigorous in the care sector than was the case in the general population.

Another key development during the year was the receipt of a large legacy. From the outset, our intention has been to use this significant injection of funds to expand service delivery through increasing our premises space. Trustees set up a working group to explore a number of options, including taking on additional premises. It was decided that the best option would be to increase service space within the current premises, through an additional external building. This work will be taken forward during 2023-24.

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

#### ***Services for children***

Sutton Mencap continued to deliver a programme of after-school, Saturday and holiday services to children with a learning disability. The number of children supported through these services grew significantly over the year with around 5,200 hours of service being provided, up from 4,300 in 2021-22. The number of children attending each service grew as follows (previous year in brackets): After school 26 (21), Saturday 37 (34), holidays 45 (39).

Staffing levels were a significant concern at the start of the year. We were however successful in recruiting a large number of new staff to work on our children's services, ensuring they received appropriate induction support and training to be able to work confidently with the children who use our services.

Sadly, we said goodbye to our Service Manager for children, Asma Jacob, who moved on to a new and exciting role with the local education service. We were successful in recruiting a new manager to ensure continuity of service and were delighted to welcome Isobel Hayes into the role in January.

# Sutton Mencap Charity Company

## ***Services for adults***

We were pleased to expand our adult services groups and in particular to extend our Community day service from 8 sessions to 10 sessions per week. As a result we delivered over 19,000 hours of day service provision, up from around 15,000 in 2021-22. The number of adults attending our day services was 39, up from 33 in the previous year.

We were also pleased to deliver a full set of activities on our Breakaways programme, which provides respite services for adults who live with their family, including a monthly weekend away. The number of adults attending Breakaways services was 35, a slight increase from 34 in the previous year.

Our leisure and learning groups continued to support a large number of people. These groups include Art Café, Groupies and High Fliers. All continue to provide a great opportunity for people to meet friends, have fun and learn new skills.

We were also able to run a new film-making club with funding from our local NHS. The group met regularly to make films for people with a learning disability, covering topics like cancer screening, ways to stay healthy and access to local services. Many of the films are now being used more widely within the NHS to raise awareness of the needs of people with a learning disability.

## ***Safeguarding***

Safeguarding continues to be a key priority for Sutton Mencap. All staff are required to undertake training provided by the Local Safeguarding Children's Partnership and Adult Safeguarding Board. We continue to participate in local partnership work aimed at keeping children and adults safe.

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

### ***Digital Paths to Inclusion***

The Digital Paths to Inclusion project is funded by the City Bridge Trust and seeks to use digital technology to strengthen the voice of people with a learning disability.

The project worked with people with a learning disability to produce the *Our Sutton* digital magazine. We also carried out a number of mystery shopping reviews of local community facilities and produced a series of live radio shows and podcasts. All had the aim of enabling people with a learning disability to tell their stories, identify issues that matter to them and affect change in their local community.

Funding for the project was due to end in March 2023, but we are delighted to report that the City Bridge Trust have agreed continuation funding for a further two years.

### ***Partnership work***

We engaged in a number of partnership projects over the year, all with the aim of raising awareness of the needs of people with a learning disability.

We have worked with the council and NHS to help them deliver their learning disability strategy. The strategy has a number of themes that overlap with our own strategic aims, with working groups focussed on improving access to health care,



## **Sutton Mencap Charity Company**

access to housing and receiving the right support and being part of the community. We have worked to ensure that the concerns of the people we support are listened to as the strategy is delivered.

We have continued to service and chair the Sports Inclusion Group, a multi-agency forum which campaigns for improved access to sports and leisure activities for disabled people.

We were also commissioned by the South London Partnership to look at the issue of employment for people with a learning disability. We looked into the experiences of people in finding and sustaining employment. We also produced an easy read guide, highlighting the barriers to employment and how employers can implement reasonable adjustments to overcome them.

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

#### ***Quality assurance***

A key piece of work during year was to develop a bespoke quality assurance programme which would enable us to better understand how well our services perform and identify areas where they can be improved.

The programme will look at our performance across 5 areas of our work:

- Section 1: Putting people first, focussing on the people who attend our services.
- Section 2: Staff and management.
- Section 3: The way we work.
- Section 4: The way we are run, focussing on governance and management.
- Section 5: Our place within the wider society, focussing on our role as a charity and how we can affect change for the people we support.

We will begin work on assessing our performance in the new year.

#### ***Staff recruitment and management***

The issue of staff recruitment is a key concern in the care sector and Sutton Mencap implemented a number of measures aimed at building our staff team. Central to this was the adoption of London Living Wage in April 2022 which we believe demonstrates how the organisation values its staff team. We have also developed strong partnerships with local colleges and universities which has helped us reach a new pool of potential staff members.

Once working with us, staff benefit from a comprehensive training programme, skilled management and supportive team-working. In return, our staff demonstrate that they are skilled, professional and caring in the way the work with the people we support. We carried out our first staff survey in January 2023. The responses gave a very positive picture about the experiences of the people who work with us.

#### ***Premises***

The receipt of a large legacy provided us with an opportunity to look at the space available for service delivery and how best to increase this in response to high demand for services. The preferred option is to increase service space within our

## Sutton Mencap Charity Company

current site and we commissioned a firm of architects to carry out a feasibility study on the best way of doing this.

Our intention is to build a large new garden room which will be available for use for adults and children's services, as well as providing additional meeting room space. We are likely to require additional funding to complete the work and are pleased to report that the council has indicated that they will invest additional funds in the project.

Our building is council owned and we have been based there for the last 25 years. We are working with the council to renew our lease which ended in December and we are pleased that discussions are progressing well.

### ***Environmental action plan***

Sutton Mencap is committed to reducing the environmental impact of activities. We have begun using the *Heart of the City Climate Action Toolkit* to implement an action plan, as follows:

- measure our current carbon footprint to give a clear picture of our current impact.
- adopt a carbon neutral status, whereby we offset our carbon emissions.
- Implement changes in the way we work to reduce our carbon footprint.
- Work towards achieving net zero, whereby reducing our carbon footprint by 90%.

Implementation of this plan has started and our progress in this area will be included in future annual reports.

### **Financial review**

The year ended 31 March 2023 showed our income for the first time breaking the million-pound barrier, largely resulting from a legacy received of £530,692, which after costs of £23,260 will be used to invest in improvements to service delivery, including extending our premises. Excluding this very significant item, fees, grants, and donations totaled £776,000, and, after deducting associated costs we virtually broke even with an overall operation shortfall of just £473.

All our activities – Adult, Children and Young People, and Community Projects – resulted in contributions of £251,000 towards core costs and overheads. Paying London Living wage added significantly to our costs and we managed this with only a 5% increase in prices, most of which was recovered through increased activity.

Overhead expenditure at £311,000 (the majority of which is fixed) was up on last year. Power, HR and training, running the minibus, administration and office costs were the major contributors but more than offset by a reduction in the holiday pay accrual of £12,000.

Capital expenditure totaling £7,954 was incurred during the year mainly on fire and electrical works, and an evacuation chair for use on the staircase.

Continued 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 with a corresponding reduction in the level of debt.

## Sutton Mencap Charity Company

Cash is invested in short and medium-term bank deposits. Receipt of the legacy has had a beneficial impact and the closing balance at 31 March 2023 was £483,868. 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 impact of the legacy received and excluding this, total funds remain steady at £118,000, being the same as last year. This continues to provide confidence to our clients, staff and trustees that we will be able 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.

We are confident that 2023/24 will result in a healthy surplus for Sutton Mencap and although the first quarter's results were somewhat disappointing, we are confident that our target is achievable.

### **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 (who are also directors of Sutton Mencap for the purposes of company law) are responsible for preparing the 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. Under company law the trustees must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the charitable company and of the incoming resources and application of resources, including the income and expenditure, of the charitable company for that period. In preparing those 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 2019 (FRS 102);
- 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;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company 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 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.

## Statement as to disclosure of information to Auditor

So far as the directors are aware, there is no relevant audit information of which the charitable company's auditor is unaware, and each director has taken all the steps that they ought to have taken as a director in order to make themselves aware of any relevant audit information and to establish that the charitable company's auditor is aware of that information.



## Auditor

A resolution proposing the re-appointment of Myrus Smith as auditor to the company will be put to the Annual General Meeting.

## Exemptions from Disclosures

This report has been prepared in accordance with the Special Provisions of Part 15 of the Companies Act 2006 relating to small companies.

Approved by the Trustees and signed on their behalf by:

 M. PEART	Date	1/11/23
 PAUL L. SOLOMON	Date	1/11/2023



# Sutton Mencap Charity Company

INDEPENDENT AUDITOR'S REPORT TO THE TRUSTEES OF:

## **SUTTON MENCAP CHARITY COMPANY** **(A company limited by guarantee)**

FOR THE YEAR ENDED 31 MARCH 2023

### **Opinion**

We have audited the financial statements of Sutton Mencap Charity Company (the 'charitable company') for the year ended 31 March 2023 which comprise the Statement of Financial Activities, the Balance Sheet, the Statement of Cash Flows and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the charitable company's affairs as at 31 March 2023, and of its incoming resources and application of resources, including its income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

### **Basis for opinion**

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the charitable company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

### **Conclusions relating to going concern**

In auditing the financial statements, we have concluded that the trustees' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the charitable company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the trustees with respect to going concern are described in the relevant sections of this report.

### **Other information**

The other information comprises the information included in the trustees' report, other than the financial statements and our auditor's report thereon. The trustees are responsible for the other information contained within the trustees' report. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon. Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the course of the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

# Sutton Mencap Charity Company

INDEPENDENT AUDITOR'S REPORT TO THE TRUSTEES OF:

**SUTTON MENCAP CHARITY COMPANY**  
(A company limited by guarantee)

FOR THE YEAR ENDED 31 MARCH 2023

**Opinions on other matters prescribed by the Companies Act 2006**

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the trustees' report (incorporating the directors' report) for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the directors' report has been prepared in accordance with applicable legal requirements.

**Matters on which we are required to report by exception**

In the light of our knowledge and understanding of the charitable company and its environment obtained in the course of the audit, we have not identified material misstatements in the directors' report.

We have nothing to report in respect of the following matters in relation to which the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit; or
- the trustees were not entitled to prepare the financial statements in accordance with the small companies' regime and take advantage of the small companies' exemptions in preparing the directors' report and from the requirement to prepare a strategic report.

**Responsibilities of trustees**

As explained more fully in the trustees' responsibilities statement on page 12, the trustees (who are also the directors of the charitable company for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the trustees are responsible for assessing the charitable company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the trustees either intend to liquidate the charitable company or to cease operations, or have no realistic alternative but to do so.

**Auditor's responsibilities for the audit of the financial statements**

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The specific procedures for this engagement and the extent to which these are capable of detecting irregularities, including fraud is detailed below:

# Sutton Mencap Charity Company

INDEPENDENT AUDITOR'S REPORT TO THE TRUSTEES OF:

**SUTTON MENCAP CHARITY COMPANY**  
(A company limited by guarantee)

FOR THE YEAR ENDED 31 MARCH 2023

## **Auditor's responsibilities for the audit of the financial statements .../Cont'd**

- Enquiry of management and those charged with governance about actual and potential litigation or claims and the identification of non-compliance with laws and regulations.
- Reviewing minutes of meetings of those charged with governance.
- Reviewing financial statement disclosures and testing to supporting documentation to assess compliance with applicable laws and regulations.
- Auditing the risk of management override of controls, including testing journal entries and other adjustments for appropriateness; assessing whether the judgements made in making accounting estimates are indicative of a potential bias; and evaluating the business rationale of any significant transactions that are unusual or outside the normal course of business.
- Performing analytical procedures to identify any unusual or unexpected relationships that may indicate risks of material misstatement due to fraud.
- Professional scepticism in course of the audit and with audit sampling in material audit areas.

Because of the inherent limitations of an audit, there is a risk that we will not detect all irregularities, including those leading to a material misstatement in the financial statements or non-compliance with regulation. This risk increases the more that compliance with a law or regulation is removed from the events and transactions reflected in the financial statements, as we will be less likely to become aware of instances of non-compliance. The risk is also greater regarding irregularities occurring due to fraud rather than error, as fraud involves intentional concealment, forgery, collusion, omission or misrepresentation.

A further description of our responsibilities is available on the Financial Reporting Council's website at: [www.frc.org.uk/auditorsresponsibilities](http://www.frc.org.uk/auditorsresponsibilities). This description forms part of our auditor's report.

## **Use of our report**

This report is made solely to the charitable company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the charitable company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charitable company and the charitable company's members as a body, for our audit work, for this report, or for the opinions we have formed.



Kevin Fisher BA FCA CTA  
(Senior Statutory Auditor)  
For and on behalf of Myrus Smith  
Chartered Accountants and Statutory Auditors  
Norman House,  
8 Burnell Road,  
Sutton, Surrey.  
SM1 4BW

10-11-2023



# Sutton Mencap Charity Company

## Statement of Financial Activities and Income & Expenditure Report for the year to 31 March 2023

	Note	Restricted Funds £	Unrestricted Funds £	2023 Total £	2022 Total £
<b><u>Income and endowments</u></b>					
Donations and legacies	3	3,003	540,805	543,808	10,253
Other trading activities	4	-	6,584	6,584	5,158
Investment income	5	-	3,336	3,336	95
<b>Income from charitable activities</b>					
Grants	6	81,200	-	81,200	107,856
Fees from services for children and young people		-	270,422	270,422	215,054
Fees from services for adults		-	402,888	402,888	253,255
<b><u>Total income and endowments</u></b>		<b>84,203</b>	<b>1,224,035</b>	<b>1,308,238</b>	<b>591,671</b>
<b><u>Expenditure</u></b>					
Expenditure on raising funds		-	6,642	6,642	12,045
Expenditure on charitable activities	7	81,113	713,524	794,637	635,755
<b><u>Total expenditure</u></b>		<b>81,113</b>	<b>720,166</b>	<b>801,279</b>	<b>647,800</b>
Net income/ (expenditure)	9	3,090	503,869	506,959	(56,129)
Transfers between funds		-	-	-	-
Net movement in funds	17	3,090	503,869	506,959	(56,129)
<b><u>Reconciliation of funds</u></b>					
Total funds brought forward		15,134	103,284	118,418	174,547
<b>Total funds carried forward</b>		<b>18,224</b>	<b>607,153</b>	<b>625,377</b>	<b>118,418</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.

The notes on pages 19 to 28 form part of the financial statements

# Sutton Mencap Charity Company

## Balance Sheet at 31 March 2023

Company Registration Number 03915936

	Note	2023 £	2022 £
<b>Fixed Assets</b>			
Tangible Fixed Assets	12	<u>8,502</u>	<u>8,582</u>
<b>Current Assets</b>			
Debtors	13	72,781	89,965
Investments	14	170,000	-
Cash at Bank and in hand		<u>483,868</u>	<u>127,253</u>
		726,649	217,218
<b>Liabilities:</b>			
Creditors	15	109,774	107,382
<b>Net Current Assets</b>		616,875	109,836
<b>Total Assets less Current Liabilities</b>		<u><b>625,377</b></u>	<u><b>118,418</b></u>
<b>Funds</b>			
Unrestricted Fund	17	367,153	90,284
Designated Funds	17	240,000	13,000
Restricted Funds	17	<u>18,224</u>	<u>15,134</u>
		<u><b>625,377</b></u>	<u><b>118,418</b></u>

The financial statements have been prepared in accordance with the special provisions for small companies under Part 15 of the Companies Act 2006.

Approved by the Trustees on

Signed on behalf of the Trustees

*M. Peart*

Name: *M. PEART.*

Date: *1/11/23.*

*Paul L Solomon*

Name: *PAUL L Solomon*

Date: *1/11/2023*

# Sutton Mencap Charity Company

## Statement of cash flows for the year to 31 March 2023

	Note	Total funds March 2023 £	Total funds March 2022 £
Net Cash provided by operating activities	20	531,233	53,120
<b>Cash flows from investing activities</b>			
Interest income		3,336	95
Purchase of tangible fixed assets		(7,954)	0
Purchase of investments		(170,000)	0
<b>Net cash (used in)/ provided by investing activities</b>		(174,618)	95
<b>Change in cash and cash equivalents</b>		356,615	(53,025)
Cash and cash equivalents brought forward		127,253	180,278
<b>Cash and cash equivalents carried forward</b>		483,868	127,253
<b>Analysis of cash and cash equivalents</b>			
Cash at bank and in hand		483,868	127,253

The notes on pages 19 to 28 form part of the financial statements

# Sutton Mencap Charity Company

## Notes to the financial statements for the year ended 31 March 2023

### 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 previously 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.

# Sutton Mencap Charity Company

## Notes to the financial statements for the year ended 31 March 2023 (continued)

### 1) Accounting Policies (continued)

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

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.

#### Debtors and creditors

Debtors and creditors with no stated interest rate and receivable or payable within one year are recorded at transaction price. Any losses arising from impairment are recognised in the Statement of Financial Activities.

#### Investments

Investments held for resale or pending their sale and cash and cash equivalents with a maturity date of less than one year are treated as current asset investments.

#### Leases

Operating lease rentals are charged to the Statement of Financial Activities on a straight-line basis over the period of the lease.

#### 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	2023 Total	2022 Total
	£	£	£	£
Donations	3,003	9,113	12,116	10,253
Legacies	-	531,692	531,692	-
	<b>3,003</b>	<b>540,805</b>	<b>543,808</b>	<b>10,253</b>

Of the £10,253 recognised in 2022, £2,829 related to restricted funds.



# Sutton Mencap Charity Company

## Notes to the financial statements for the year ended 31 March 2023 (continued)

### 4) Other trading activities

	Restricted	Unrestricted	2023 Total	2022 Total
	£	£	£	£
Rent received	-	3,900	3,900	3,900
Fundraising activities	-	1,284	1,284	1,248
Fees and earned income	-	1,400	1,400	10
	-	6,584	6,584	5,158

All of the £5,158 recognised in 2022 related to unrestricted funds.

### 5) Investment income

	Restricted	Unrestricted	2023 Total	2022 Total
	£	£	£	£
Interest received	-	3,336	3,336	95
	-	3,336	3,336	95

All of the £95 recognised in 2022 related to unrestricted funds.

### 6) Grants received

	Restricted	Unrestricted	2023 Total	2022 Total
	£	£	£	£
City Bridge Trust – DPI	54,200	-	54,200	50,100
NHS SWL – Film club	25,000	-	25,000	-
Gary Kesner Trust	2,000	-	2,000	3,000
HMRC Coronavirus job retention scheme	-	-	-	24,709
London Borough of Sutton Covid Recovery Fund	-	-	-	21,196
Covid Infection Control Fund	-	-	-	5,000
Royal Mencap Society Let's Get Digital	-	-	-	3,851
	81,200	-	81,200	107,856

Of the £107,856 recognised in 2022, £102,856 related to restricted funds.

# Sutton Mencap Charity Company

## Notes to the financial statements for the year ended 31 March 2023 (continued)

### 7) Charitable activities

	Restricted	Unrestricted	2023 Total	2022 Total
	£	£	£	£
Staff costs (excluding fundraising and governance)	43,284	539,141	582,425	472,909
HR and training costs	-	16,208	16,208	11,439
Minibus costs	-	10,434	10,434	5,359
Accommodation costs	1,808	56,439	58,247	54,318
Direct project costs (excluding staff costs)	19,167	64,702	83,869	49,159
Depreciation	2,522	5,512	8,034	12,633
Governance costs	-	8,786	8,786	9,510
Administration and office costs	14,332	12,302	26,634	20,428
	<b>81,113</b>	<b>713,524</b>	<b>794,637</b>	<b>635,755</b>

Of the £635,755 recognised in 2022, £103,360 related to restricted funds.

### 8) Staff costs

	2023	2022
	£	£
Wages and salaries (including redundancy costs)	555,765	454,568
Employer's National Insurance	40,603	30,553
Staff Pensions	17,280	14,186
Holiday pay accrual	(17,014)	(5,653)
Employment allowance	(5,000)	(4,000)
	<b>591,634</b>	<b>489,654</b>

Total employee benefits for key management personnel amounted to £150,150 (2022: £138,380)

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:	2023	2022
Chief Executive Officer	1	1
Administration and finance	1.7	1
Children and young people's services	7.5	6.8
Adult services	11.5	9
Digital Paths to Inclusion	1	1

# Sutton Mencap Charity Company

## Notes to the financial statements for the year ended 31 March 2023 (continued)

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

This is stated after charging

	2023	2022
	£	£
Depreciation	8,034	12,633
Independent examination fee	-	2,936
Audit fee	4,432	-
	<u>12,466</u>	<u>15,569</u>

### 10) Trustees Emoluments & Expenses

No Trustees received emoluments or expenses during the year. Training course and trustee event expenses amounting to £276 (2022: £325) 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 2023 (continued)

### 12) Tangible fixed assets

	Leasehold Property	Furniture Fittings Fixtures	Office Equipment	Motor Vehicle	Garden	Total
	£	£	£	£	£	£
<b>Cost</b>						
As at 1 April 2022	469,699	48,543	15,228	22,500	14,484	570,453
Additions	6,869	1,085	-	-	-	7,954
Disposals	-	-				
As at 31 March 2023	<b>476,568</b>	<b>49,628</b>	<b>15,228</b>	<b>22,500</b>	<b>14,484</b>	<b>578,407</b>
<b>Depreciation</b>						
At 1 April 2022	468,102	45,089	12,628	21,570	14,481	561,870
Charge for the year	1,736	3,465	2,600	233	0	8,034
At 31 March 2023	<b>469,838</b>	<b>48,554</b>	<b>15,228</b>	<b>21,803</b>	<b>14,481</b>	<b>569,904</b>
<b>Net Book Value</b>						
At 31 March 2023	<b>6,730</b>	<b>1,074</b>	<b>0</b>	<b>697</b>	<b>0</b>	<b>8,502</b>
At 31 March 2022	<b>1,597</b>	<b>3,455</b>	<b>2,600</b>	<b>930</b>	<b>0</b>	<b>8,582</b>
Depreciation rates	25 years straight line Lease period	25 years straight line Lease period	25% reducing balance	25% reducing balance	10 years straight line	

### 13) Debtors

	2023	2022
	£	£
Prepayments	12,489	23,170
Debtors	63,292	69,795
Less: provision for bad debts	(3,000)	(3,000)
	<b>72,781</b>	<b>89,965</b>

# Sutton Mencap Charity Company

## Notes to the financial statements for the year ended 31 March 2023 (continued)

### 14) Investments

	2023	2022
	£	£
Cash on deposit	170,000	-
	<u>170,000</u>	<u>-</u>

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

	2023	2022
	£	£
Accruals	9,559	5,840
Holiday pay accrual	9,911	26,925
Deferred income	12,524	37,000
Creditors	26,582	1,198
Payroll creditors	51,198	36,419
	<u>109,774</u>	<u>107,382</u>

### 16) Obligations under lease

At the 31 March 2023 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
	2023	2023	2023	2022	2022	2022
	£	£	£	£	£	£
Within one year	1,629	399	-	1,629	683	15,000
Between one and five years	3,395	-	-	5,024	399	-
<b>Total</b>	<u><b>5,024</b></u>	<u><b>399</b></u>	<u><b>-</b></u>	<u><b>6,653</b></u>	<u><b>1,082</b></u>	<u><b>15,000</b></u>

The trustees of Sutton Mencap 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.



# Sutton Mencap Charity Company

## Notes to the financial statements for the year ended 31 March 2023 (continued)

### 17) Movement in funds

	Balance 1.4.22	Income	Expenditure	Transfers	Balance 31.3.23
	£	£	£	£	£
<b>Unrestricted funds</b>					
General fund	90,284	984,035	(720,166)	13,000	367,153
Redundancy fund	13,000	-	-	(13,000)	-
Building designated fund	-	225,000	-	-	225,000
Minibus designated fund	-	15,000	-	-	15,000
<b>Total unrestricted funds</b>	<b>103,284</b>	<b>1,224,035</b>	<b>(720,166)</b>	<b>-</b>	<b>607,153</b>

	Balance 1.4.22	Income	Expenditure	Transfers	Balance 31.3.23
	£	£	£	£	£
<b>Restricted funds</b>					
City Bridge Trust	2,251	54,200	(48,488)	-	7,963
SWL NHS – film club	-	25,000	(25,000)	-	-
Children's play equipment	-	3,003	-	-	3,003
Gary Kesner Trust	-	2,000	(2,000)	-	-
Royal Mencap let's get digital	1,157	-	(1,157)	-	-
Minibus Fund	7,258	-	-	-	7,258
Wakelen Conservatory Fund	3,839	-	(3,839)	-	-
DM Thomas Foundation	629	-	(629)	-	-
<b>Total restricted funds</b>	<b>15,134</b>	<b>84,203</b>	<b>(81,113)</b>	<b>-</b>	<b>18,224</b>
<b>Total funds</b>	<b>118,418</b>	<b>1,308,238</b>	<b>(801,279)</b>		<b>625,377</b>

2022 Comparative information for the net movement in funds is as follows:

	Balance 1.4.21	Income	Expenditure	Transfers	Balance 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 2023 (continued)

### 17) Movement in funds (continued)

	Balance 1.4.21	Income	Expenditure	Transfers	Balance 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>

### 18) Analysis of net assets between funds

	Restricted funds	Unrestricted funds	Total funds
	£	£	£
Tangible fixed assets	-	8,502	8,502
Net current assets	18,224	598,651	616,875
	<b>18,224</b>	<b>607,153</b>	<b>625,377</b>

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

2022 Comparative information for the net movement in funds is as follows:

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

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

# Sutton Mencap Charity Company

## Notes to the financial statements for the year ended 31 March 2023 (continued)

### 19) 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 £16,967 (2022: £14,186)

At 31 March 2023 £2,480 of contributions were payable and included in creditors. (2022: £2,354)

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

	2023 £	2022 £
Net movement in funds	506,959	(56,129)
Add back depreciation charge	8,034	12,633
Deduct interest income shown in investing activities	(3,336)	(95)
Decrease/ (increase) in debtors	17,184	(24,612)
(Decrease)/ increase in creditors	2,392	15,083
	<hr/> 531,233	<hr/> (53,120)