

Company Number 04332965

Charity Number 1091809



Leeds Mencap

(A Company Limited by Guarantee)

Annual Report and Financial Statements

For the year ended 30 September 2021

Leeds Mencap

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Charity Information

Trustees	L Hewson	Chair	(appointed 29 March 2021, as Chair 19 April 2021)
	T Burt		
	D Clayton		(resigned 7 December 2021)
	S Lenehan		
	A Van Der Wert		(resigned 10 March 2021)
	S Clarke		(appointed 29 March 2021)
	H Cohen		(appointed 29 March 2021)
	C Murray		(appointed 29 March 2021)

Chief Executive Officer Cath Lee

Charity number 1091809

Company number 04332965

Principal and registered office 20 Vinery Terrace
Leeds
LS9 9LU

Auditors Azets Audit Services Limited
Triune Court
Monks Cross Drive
York
YO32 9GZ

Bankers Barclay Bank plc
Barclays Business Centre
Leeds
LS1 1PA

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Report of the trustees for the year ended 30 September 2021

The trustees are pleased to present their annual report together with the financial statements of the charity for the year ended 30 September 2021 which are also prepared to meet the requirements for a directors' report and financial statements for Companies Act purposes.

The financial statements comply with the Charities Act 2011, the Companies Act 2006, the Memorandum and Articles of Association, and the charities Statement of Recommended Practice (applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland; FRS 102) effective 1 January 2019.

The reference and administrative details on page 1 of these financial statements form part of the Report of the Trustees.

Charitable purpose and principal activities

In January 2021 the trustees adopted new charitable objects. These guide the trustees in ensuring our work is for the public benefit. Our charitable purposes are:

- the relief of those in need by reason of youth, age, ill-health, disability, financial hardship or other disadvantage, in particular but not exclusively children and young people up to the age of 25 with a learning disability, and their families and carers;
- providing or assisting in the provision of facilities in the interests of social welfare for recreation or other leisure time occupation of individuals who have need of such facilities by reason of their youth, age, ill-health or disability, financial hardship or social circumstances with the object of improving their conditions of life;
- advancing the education of children by providing learning facilities, in particular but not exclusively through the provision of a nursery and a before and after school and holiday club; and
- advancing the education of the wider public in relation to learning disabilities.

The activities we deliver to achieve these purposes include provision of:

A family support service.

- We offer information, advice, guidance, practical and emotional support to parents and carers of children or young people with learning disabilities. The support may be signposting parents and carers to other services across Leeds or it can be in depth support, tailored to an individual family's particular issues. We also offer training in relevant areas such as sleep and communication skills eg. Makaton. There are opportunities for parents/carers to come together and meet each other. Many parents find the support networks and friendships they form vital to their emotional and mental wellbeing.

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Report of the trustees for the year ended 30 September 2021 (continued)

- The difference the activities make enables parents and carers to develop their skills, understanding and confidence to meet their child's needs, improves emotional and mental wellbeing and resilience, provides respite and improves the opportunities and quality of life for the parents/carers and family as a whole.

Early years education for children with and without learning disabilities.

- We run a community nursery, Jimbo's Community Nursery, for children in the local area and a specialist playroom (Hawthorn Playroom) within the nursery for children from across Leeds with learning disabilities, autism or other developmental delay.
- We offer specialist intensive developmental play sessions in Hawthorn Playroom. The sessions provide the children with structured learning in a fun and safe environment supported by staff who understand how children with additional needs develop. The first three years of any child's life are crucial for their development and children with learning disabilities are no exception. The playroom lays the foundations for the children to enter mainstream or specialist education having had the opportunity to develop their abilities and potential in the same way as any other child.
- Jimbo's Community Nursery is based in one of the most deprived wards of Leeds and we have found in the 6 years since we opened that we see a higher number of children than average who have delays in their development and barriers to their learning. We are able to identify these issues early and start the process of getting the children and their families the additional help and support they need to enable them to make the most of the early years play and education available to them.

Evening activity clubs for children and young people with and without learning disabilities:

- Youth clubs for children and young people with a learning disability (aged 9 – 18, a young adult social group for 18 – 25s) and a Sibling Support Group for children and young people who have a brother or sister with a learning disability.
- An After School Club is provided as part of the community nursery to offer wrap around care for children aged 5 – 11 who attend local schools.
- Activities are structured to help young people develop skills and abilities appropriate to their age but they are led by the choices and interests of the group members who get to try new things and develop their confidence.
- Our club for siblings allows the children to explore what it means to them to have a brother or sister with a learning disability. They meet other children

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Report of the trustees for the year ended 30 September 2021 (continued)

who share similar experiences, have a chance to have time for themselves and develop relationships that support good mental and emotional health.

Holiday clubs and playschemes for children and young people with and without learning disabilities:

Playschemes are run during school holidays for children and young people with learning disabilities aged 4 – 18. The playschemes include workshops, themed days, trips out, discos, outdoor and soft play, sensory activities. For children and young people who are often socially isolated the clubs and playschemes can be the only time they take part in an activity with their peers. This helps them build confidence around social situations and feel included. They also have opportunities to develop skills and confidence through new challenges and experiences.

A Holiday Club is run through the nursery for children who live locally. This supports working families but also helps continue support for families whose children are vulnerable or at risk and in need throughout the school holidays.

High quality facilities and space for people with and without learning disabilities to use and bring communities together

Our building, The Vinery Centre, offers great specialist facilities (Changing Places toilet, sensory room, soft play room, outdoor play area and equipment) and multi-functional rooms to other organisations that support people with learning disabilities and groups that need space for a variety of activities. The Vinery Centre has become well known for being welcoming and flexible.

Performance and Achievements

2020/21 was a year of constant change and adaptation. Our overall aim has been to continue work to improve our financial position to be sustainable. We had begun to make progress towards this before the pandemic began in the first half of the previous financial year. However the first 6 months of the pandemic set us back considerably which resulted in the need to revise our plans in two key ways:

- Extend our recovery strategy by a year to cover the period 2019-2022 to compensate for time lost.
- Reduce costs and reshape the organisation to concentrate on the delivery of cost effective core charitable activities to compensate for the loss of self-generated income that has been most hit by Covid-19 restrictions.

Our recovery strategy focused on:

- Increasing income from all sources with particular emphasis on improving our fundraising performance.

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Report of the trustees for the year ended 30 September 2021 (continued)

- Improving efficiency with ongoing control of costs and cost effective models of delivering services.
- Increasing capacity through growing our volunteer base and offering more opportunities to student placements.
- Ongoing monitoring and review of the longer term sustainability of the current model of operation.
- Exploring opportunities for partnership working at both operational and strategic levels with a view to potentially share or save costs, and open up new income streams or funding opportunities or opportunities to merge with one or more organisations.

The ongoing pandemic presented many challenges during the year in being able to successfully implement our recovery plans. Changing government guidance throughout the year resulted in frequently adapting and changing the way we delivered services to ensure we were operating safely whilst continuing to provide support. Fundraising performance has remained a challenge due to restrictions continuing to impact on the amount and variety of activities that were possible, increased demand on the funds available and changing priorities of funders. The ongoing impact on our self-generated income has continued to be severe although slightly improved. The effect of the pandemic has been exacerbated by recruitment and retention difficulties resulting in services not being able to operate at capacity despite demand remaining high.

These factors have meant that greater emphasis has been placed on cost reduction and reconfiguring of some activities.

The key changes made were to our Family Support Service, our specialist early years service and our fundraising team. Recruitment challenges have meant that these changes have taken longer than anticipated to put in place but in the final quarter of the year we have begun to see the potential and likely benefits both from a financial and operational perspective.

The cost reductions made and changes to some services have meant we have the time we need to embed the changes and move towards a position from which to rebuild.

Alongside our cost reduction activities and despite the challenges of responding to the ongoing adaptations demanded by the pandemic, we continued to deliver our core in person services resulting in 282 people benefiting from our specialist services directly between October 2020 and September 2021. We

- Supported 25 children aged 0 – 3 in the specialist playroom.
- Delivered ongoing tailored one to one advice, support and guidance to 25 families.
- Ran parent and carer support groups that helped 26 families feel less isolated and get valuable information and support from peers.

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Report of the trustees for the year ended 30 September 2021 (continued)

- Ran youth clubs and activities for 61 children and young people aged 9 - 25 with a learning disability
- Ran holiday playschemes in the school holidays for 145 children aged between 4 and 18.
- Supported 13 children and young people who have a brother or sister with a learning disability.

A further 117 children benefited from attending the mainstream nursery and holiday club

We were successful in securing significant funding through the Healthy Holidays scheme. This scheme was part funded by central government funding that resulted from Marcus Rashford's initiative to enable children to continue to access free school meals throughout the holidays. As a result of the funding we were able to provide holiday club places free of charge to local vulnerable children and also provide food parcels and activity packs to families in need.

We provided 45 holiday club places and 74 activity packs. All children attending had healthy meals during the day and we provided 740 portions of food. Parents also had access to weekly food bags through Fareshare and those children who needed them were given shoes from Zero Waste Leeds.

Some quotes from parents show the value of the nursery during this time.

'Thank you to all who have cared for my child over the years! We will miss nursery and my child has experienced so much with your support.'

'Thank you for all the toys, food hampers and gifts. Thank you to all the staff and teachers.'

Our Childcare Manager completed the training for the national government programme – EYPDP (Early Years Personal Development Programme) and started to deliver communication language, literacy and mathematic skills training across the setting and to other settings.

During this year 449 individuals visited the Vinery Centre, making 5,713 visits. Of the total number of visitors 35% (157) have a learning disability or support someone with a learning disability.

We were extremely grateful to our funders during this period who continued to be supportive and understanding of our need to be flexible in the way we supported people and the way we used our staff time and resources. We were also extremely grateful to staff who continued to show great commitment, flexibility and resilience in providing support to families during what remained a challenging time.

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Report of the trustees for the year ended 30 September 2021 (continued)

Community Hub project

During the first 6 months of the pandemic we became involved with the local partnership providing emergency support to people who were self-isolating or shielding and operated as a hub fulfilling a coordinating and facilitating role. The partnership was successful in attracting funding from the National Lottery to continue the work until February 2021. From March 2021 onwards the work has been funded by Leeds City Council. We have continued to provide a coordinating function and space for the emergency provision activity. Towards the end of the year our role has supported the development of a model of working within the partnership that is sustainable throughout the ongoing pandemic and beyond. The success of our involvement has been possible again due to the flexibility and commitment of the staff and volunteers involved.

Whilst the last year has continued to be uncommonly challenging and uncertain we finished the year again with a strong sense of fulfilment and pride in the work we were able to do to continue to support both children and young people with learning disabilities and their families and people in our local community and more widely in Leeds.

Changes to the Board

We started the year in a challenging position with only four trustees and without a Chair. However, trustees prioritised identifying skills needed to support the organisation with the challenges and opportunities ahead and carried out a recruitment exercise for new trustees. We successfully appointed four new trustees in March 2021 who bring a wide range of skills, knowledge and experience. In April 2021 one of the newly appointed trustees, Dr Lesley Hewson OBE, was appointed as Chair.

Public Benefit

The trustees recognise their duties under the Charities Act 2011 and have referred to the Charity Commission's guidance on public benefit when planning and reviewing Leeds Mencap's activities.

In particular in revising and updating the Articles of Association and changing the charitable objects they paid due regard to ensuring the purposes of the charity remain for the public benefit in particular, but not exclusively, for the benefit of children and young people with learning disabilities and their families.

Trustees sought and received advice from a charity law professional throughout the process. The revised charitable objects were agreed in December 2020 and adopted by the Members in January 2021.

Fundraising

Fundraising is essential for Leeds Mencap's income, to which end a small fundraising team is employed. During the reporting period we reduced the size of

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Report of the trustees for the year ended 30 September 2021 (continued)

the fundraising team to reflect the reduction in income in the first 6 months of the pandemic. As we rebuild our supporter base and income from activities that have been particularly hard hit by the pandemic we will aim to increase the level of investment in our fundraising activities. Our core funds are raised from charitable trusts, from local businesses and other corporates and from the community.

In the reporting period, the largest fundraised contribution continued to be from applications to grant giving trusts and charities. We have continued to develop our relationships with local businesses and have been supported through gifts of time, and in kind, as well as by financial donations. This area of fundraising has remained badly affected, along with community fundraising and events by the pandemic.

During the reporting period we have tried to increase the number of individual supporters through marketing and digital fundraising campaigns. Whilst the number of people engaging with our social media channels has increased, the number who have converted their engagement to donations is relatively low at this stage. We recognise the importance of maintaining long-term relationships with all our supporters. We currently do not organise our own challenge events but do promote events, such as runs, organised by other organisations in which supporters can participate to raise funds on our behalf.

We do not use third parties in our fundraising, nor do we cold call. We are registered with the Fundraising Regulator and seek to apply the highest ethical standards to all our fundraising. No fundraising complaints were received in the period.

We are immensely grateful for the generosity and commitment of all our supporters.

Volunteers

Many volunteers gave up their time to help us, for example, supporting young people with learning disabilities in the specialist playroom, youth clubs and playschemes, helping with fundraising, and helping with reception duties. We are greatly indebted to them for their commitment and support. We are also immensely grateful to all the volunteers who came forward during the pandemic and have worked as part of the Community Hub Project to ensure people in the local community have received the support they need.

Structure, Governance and Management

Governing document

The organisation is a charitable company limited by guarantee and is governed by Articles of Association. The Articles of Association were revised during the reporting period and have been approved by the Charity Commission, adopted by the Members in January 2021 and filed at Companies House.

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Report of the trustees for the year ended 30 September 2021 (continued)

Membership

Under the Articles of Association the trustees are the only members of the charity. There is provision for additional categories of member to be created. There may be up to 12 Members who are the directors of the company who are also charity trustees for the purposes of charity law. They are set out on page 1. All directors are volunteers and are not remunerated for their services. Directors are drawn from a variety of backgrounds and include relatives of service users and all are DBS checked at the enhanced level. Trustees serve a term of 4 years after which they stand down. They may be reappointed for a further two terms of 4 years. New trustees are given an induction pack and are invited to attend briefings/induction meetings where they are given an overview of the work of the charity and their duties and responsibilities are clarified. Further training for trustees is arranged as appropriate. Trustees sign up to a Code of Conduct setting out the standards and commitments expected of them.

Trustees meet on a regular basis throughout the year, with a minimum of 4 full Board meetings every year. They are responsible for setting the charity's strategic goals, budgets and policies and procedures.

Organisational structure

Under the Articles of Association, the charity operates a governance and management model with day-to-day decisions delegated to the chief executive officer and in turn the managers of each department. The line management of the chief executive officer is delegated to one of the trustees, usually the chair. The trustees may delegate any of their powers or functions to committees which must contain two or more directors. The terms of any delegation must be recorded in the minute book and the directors may impose conditions when delegating powers or functions. Such committees are fully answerable to the full Board.

President

We are sad to report that Joyce Fieldhouse, a founding member of Leeds Mencap, who was appointed Honorary President in 2013, died in December 2021. She had remained the charity's President during the reporting period 2020/21. The trustees remain indebted to Joyce for her commitment and dedication to improving the lives of people with learning disabilities in Leeds.

Affiliations

Leeds Mencap is affiliated to Royal Mencap Society and has a written partnership agreement and licence to operate under the Mencap brand. The requirements of affiliation are to work according to the values of Royal Mencap Society and to work in a constructive way as a member of the wider network of local Mencap groups to support people with learning disabilities.

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Report of the trustees for the year ended 30 September 2021 (continued)

Risk Management

The trustees monitor the major risk areas including governance, financial, operational, reputational and environmental risks. The risk register is reviewed on a quarterly basis. We aim to spread the risk associated with income by developing a range of income sources. We are currently funded through a combination of contracted work, funding from individuals, charitable trusts and companies, fundraising events and other income generation activities and continue to look to increase the number of sources of income. Strong financial controls are in place.

Key risks include:

Safeguarding – As an organisation working with children, young people and adults at risk, trustees prioritise scrutiny of practice around safeguarding. Trustees receive reports on any incidents as a standing item at their meetings. The trustee safeguarding lead has regular meetings with the designated safeguarding lead (CEO) and, as appropriate, other named people for safeguarding. Officers complete a self-evaluation exercise against West Yorkshire safeguarding protocols leading to an action plan for improvement which is shared with the lead trustee for safeguarding. Safer recruitment is practised, all staff and volunteers have appropriate DBS checks, staff induction includes briefing on safeguarding policy and procedures, staff and volunteers attend safeguarding training. The trustees consider a review of safeguarding practice on an annual basis.

Compliance – Leeds Mencap's work is regulated by a number of bodies including the Charity Commission, Companies House, Information Commissioner and Ofsted. Trustees ensure compliance with regulatory requirements through commissioning specialist advice when appropriate e.g. tax advice and employment law advice, quarterly monitoring through management reporting, and annual audits by external bodies for example on health and safety.

Liquidity – The trustees consider a cashflow forecast on a quarterly basis and work to an annual budget against which performance is reviewed monthly. Credit control management is also considered on a monthly basis by management and quarterly by trustees through management reporting.

Remuneration

The directors, who are the charity's trustees and the senior management team comprise the key management personnel of the charity. Details of directors' expenses and related party transactions are disclosed in notes 10 and 16 to the financial statements. Remuneration for key management roles is benchmarked with other local organisations of a similar size. The trustees approve an annual uplift based upon the financial outlook for the next financial year.

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Report of the trustees for the year ended 30 September 2021 (continued)

Financial Review

Summary

Income for the year was £1,028,261 (2020: £992,570), however this includes £53,975 (2020: £nil) restricted fund income being carried forward to match against next year's planned expenditure. Therefore, income to support the year's activities and operational costs decreased by 1.84%. Expenditure for the year was £1,005,553 (2020: £1,043,623) which represents a decrease of 3.65%. The principal reason for the reduction in both in-year income and expenditure was that 2020 included the last few operational weeks of the residential care service at the Rookery, until its sale in October 2019.

The outcome for the year across all funds was a surplus of £22,708 (2020: £51,053 deficit). On unrestricted funds, however, which excludes the balance of restricted funds being carried forward and, therefore, better represents in-year performance there was a deficit of £31,267 (2020: £51,053) or 3.21% of in-year income (2020: 5.14%). This indicates modest progress, although it is difficult to draw firm conclusions for two years dominated by the effects of the Covid-19 pandemic.

Income generated through room hire and private fees for the nursery were most affected. In the six months from October 2019 to March 2020, room hire income averaged £7.8k per month; in the following 18 months to September 2021 the average was £1.4k per month – a reduction of 82%. Similarly, private nursery fees averaged £16.6k per month in the six months to March 2020; in the following 18 months to September 2021 the average was £9.9k per month – a reduction of 41%.

On the other hand, the result for the year would have been worse without £125k in-year Covid-related income (2020: £103k): £17k in government support through the Coronavirus Job Retention Scheme and business rates relief (2020: £61k also including the Retail Leisure and Hospitality grant); and £108k raised in grants from the local authority and charitable trusts, for costs incurred in the year, either for Covid relief work or to help charities and their services survive the pandemic – the net effect being approximately £35k excluding additional direct and partner costs (2020: £42k gross).

Net current assets at 30 September had increased by £28.1k to £469,444 (2020: £441,355) over the year and the closing cash balance had increased slightly by £13.0k to £553,585 (2020: £540,575). The trustees assess that this is sufficient resource to provide time both to recover from the impact of the Covid-19 pandemic and to implement the strategy to deliver a sustainable long-term future.

Principal funding sources

The charity's principal funders in the period were Leeds City Council (Shortbreaks Partnership) for the playschemes, and youth clubs, Leeds City Council for the Community Hub, and a number of charities and trusts. The largest charitable funders were Comic Relief, the National Lottery, Leeds Community Foundation and

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Report of the trustees for the year ended 30 September 2021 (continued)

BBC Children in Need. 23 other trusts and foundations (detailed in note 2), and a number of companies and individuals also provided essential grants and donations towards services and equipment. Two legacies were received, one being a notable £31.7k. Jimbo's community nursery received significant Free Early Education Entitlement funding via Leeds City Council in addition to private fees.

Investment Policy

As at 30 September 2021 the charity's net current assets were £469,444. Subsequent to the year end, the trustees adopted a revised investment policy whereby short-term investments will be held in cash or near cash investments and medium term investments will be in multi-asset common investment funds. Funds will be transferred to medium term investments as allowed by the potential demand for working capital whilst we achieve sustainability.

Reserves policy

As at 30 September 2021 the charity had total funds of £2,030,431, of which £53,975 was restricted. Free reserves were £165,469 after excluding tangible fixed assets and allowing for resources designated as the backstop contingency reserve and the secured loan. The long term liability of the loan represents 16.0% of the carrying value of the land and buildings of the Vinery Centre, against which it is secured and designated.

The trustees have reviewed the reserves policy in the context of the financial challenges experienced during the year and yet to be faced over the next two years as the strategy to achieve a sustainable future is implemented, and the charity, together with the wider economy, recovers from Covid-19. The trustees have resolved to maintain reserves at a minimum level of three months operating costs and accordingly have designated £250,000 as a backstop contingency reserve. It is considered that the balancing free reserves of £165,469 are sufficient to fund the costs of the recovery strategy and any losses incurred during its implementation.

Future Plans

Our immediate plans (2021-22) are focused on continuing to adapt to the changes in restrictions related to the pandemic. We aim:

- To continue financial and operational recovery from the pandemic
- To put in place a 3 year plan from 2022 – 2025 to improve sustainability and ensure strong foundations are in place for future development
- To strengthen the Board to provide leadership and good governance

The strategic aims for the three year plan are:

- To increase the reach of our services, seeking out opportunities for partnerships and collaboration

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Report of the trustees for the year ended 30 September 2021 (continued)

- Reduce the deficit year on year to reach break-even position by end September 2025
- To embed Equality/Equity, Diversity and Inclusion throughout the organisation
- To be a place where staff and volunteers are proud to work and feel valued for their unique blend of skill, knowledge and experience
- To be well led by a fully operational, diverse Board of Trustees
- To consistently deliver high quality services that meet identified needs and that beneficiaries value and feel they are able to influence.
- Engage with the environment agenda

Statement of the Responsibilities of the Trustees

Company law requires the Board to prepare financial statements for each financial period, which give a true and fair view of the state of affairs of the Company as at the end of the financial period and of the surplus or deficit of the Company for that period.

In preparing those financial statements the Board is required to:

- Select suitable accounting policies and then apply them consistently;
- Make judgements and estimates that are reasonable and prudent;
- Prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Company will continue in business.

The directors are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the Company and which enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the Company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

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Report of the trustees for the year ended 30 September 2021 (continued)

Statement of disclosure to the auditor

The trustees of the company who held office at the date of approval of this annual report confirm that:

- so far as they are aware, there is no relevant audit information, information needed by the company's auditors in connection with preparing their report, of which the company's auditors are unaware; and
- they have taken all the steps that they ought to have taken as trustees in order to make themselves aware of any relevant audit information and to establish that the company's auditors are aware of this information.

Auditors

Azets Audit Services Limited were appointed auditor to the charitable company following their acquisition of the trade of Garbutt & Elliott Audit Limited on 1 December 2021. Azets Audit Services Limited have indicated their willingness to stand for reappointment at the Annual General Meeting.

Small Company Rules

This report has been prepared in accordance with the special provisions of Part 15 of the Companies Act 2006 relating to small companies. It was approved by the Board of Trustees and signed on its behalf.


Dr Lesley Hewson OBE
Chair

Date: 3rd April 2022

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Independent Auditors' Report to the Members of Leeds Mencap

Opinion

We have audited the financial statements of Leeds Mencap (the 'charity') for the year ended 30 September 2021 which comprise the statement of financial activities, the balance sheet, the statement of cash flows and the 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 30 September 2021 and of 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 charity 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

We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

- the trustees' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the trustees have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the charity's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

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Independent Auditors' Report to the Members of Leeds Mencap (continued)

Other information

The trustees are responsible for the other information. The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. 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.

In connection with our audit of the financial statements, 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 audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. 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.

Opinions on other matters prescribed by the Companies Act 2006

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

- the information given in the trustees' Report, which includes the directors' report prepared for the purposes of company law, for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the directors' report included within the trustees' report has been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the charity and its environment obtained in the course of the audit, we have not identified material misstatements in the directors' report included within the trustees' 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 trustees' remuneration specified by law are not made; or

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Independent Auditors' Report to the Members of Leeds Mencap (continued)

- 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 trustees' report and from the requirement to prepare a strategic report.

Responsibilities of trustees

As explained more fully in the statement of trustees' responsibilities, the trustees, who are also the directors of the charity for the purpose 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 charity'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 extent to which our procedures are capable of detecting irregularities, including fraud, is detailed below.

Extent to which the audit was considered capable of detecting irregularities, including fraud

We identified areas of laws and regulations that could reasonably be expected to have a material effect on the financial statements from our general commercial and sector experience, through discussion with the trustees and other management, and from inspection of the charity's regulatory and legal

Leeds Mencap

Independent Auditors' Report to the Members of Leeds Mencap (continued)

correspondence. We discussed with the trustees and other management the policies and procedures regarding compliance with laws and regulations. We communicated identified laws and regulations throughout our team and remained alert to any indications of non-compliance during the audit.

The charity is subject to laws and regulations that directly affect the financial statements including financial reporting legislation (including related charities legislation), pensions legislation, taxation legislation and further laws and regulations that could indirectly affect the financial statements, comprising Ofsted compliance, environmental, health and safety and employment legislation, and, in the current climate, Covid regulations. We assessed the extent of compliance with these laws and regulations as part of our procedures on the related financial statement items. Auditing standards limit the required audit procedures to identify non-compliance with these laws and regulations to enquiry of the trustees and other management and inspection of regulatory and legal correspondence, if any. These procedures did not identify any potentially material actual or suspected non-compliance.

To identify risks of material misstatement due to fraud we considered the opportunities and incentives and pressures that may exist within the charity to commit fraud. Our risk assessment procedures included: enquiry of trustees and other management to understand the high level policies and procedures in place to prevent and detect fraud, reading Board minutes and considering performance targets and incentive schemes in place for management. We communicated identified fraud risks throughout our team and remained alert to any indications of fraud during the audit.

As a result of these procedures we identified the greatest potential for fraud in the following areas:

- income recognition and in particular the risk that income is recognised in the wrong reporting period or that restricted income is not correctly recognised as such; and
- subjective accounting estimates.

These fraud risks arise due to a desire to present results in a differing light to meet management objectives.

As required by auditing standards we also identified and addressed the risk of management override of controls.

We performed the following procedures to address the risks of fraud identified:

- identifying and testing high risk journal entries through vouching the entries to supporting documentation;
- assessing significant accounting estimates for bias; and
- testing the recognition of income and in particular that it was appropriately recognised or deferred.

Leeds Mencap

Independent Auditors' Report to the Members of Leeds Mencap (continued)

Owing to the inherent limitations of an audit, there is an unavoidable risk that we may not have detected some material misstatements in the financial statements, even though we have properly planned and performed our audit in accordance with auditing standards. For example, the further removed non-compliance with laws and regulations is from the events and transactions reflected in the financial statements, the less likely the inherently limited procedures required by auditing standards would identify it.

In addition, as with any audit, there remained a higher risk of non-detection of fraud, as these may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal controls. Our audit procedures are designed to detect material misstatement. We are not responsible for preventing noncompliance or fraud and cannot be expected to detect non-compliance with all laws and regulations.

A further description of our responsibilities is available on the Financial Reporting Council's website at: [https:// www.frc.org.uk/auditorsresponsibilities](https://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 auditors' 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.

Azets Audit Services Limited

Laura Masheder (Senior Statutory Auditor)
for and on behalf of Azets Audit Services Limited

5 April 2022
.....

Chartered Accountants
Statutory Auditor

Triune Court
Monks Cross Drive
York
YO32 9GZ

Leeds Mencap

Statement of Financial Activities (including Income and Expenditure Account) for the year ended 30 September 2021

		For the year ended 30 September 2021			For the year ended 30 September 2020		
	Note	Unrestricted funds	Restricted funds	Total funds	Unrestricted funds	Restricted funds	Total funds
		£	£	£	£	£	£
Income							
Grants, donations and legacies	2	68,725	213,015	281,740	40,354	163,309	203,663
Charitable activities	3	607,392	87,850	695,242	655,265	-	655,265
Other activities	4	51,279	-	51,279	131,435	-	131,435
Other income (gain on disposal of fixed asset)	5	-	-	-	2,207	-	2,207
Total income		727,396	300,865	1,028,261	829,261	163,309	992,570
Expenditure							
Raising funds	6	78,720	-	78,720	110,243	-	110,243
Charitable activities	7	679,943	246,890	926,833	770,071	163,309	933,380
Total expenditure		758,663	246,890	1,005,553	880,314	163,309	1,043,623
Net income/(expenditure) for the year before transfers	9	(31,267)	53,975	22,708	(51,053)	-	(51,053)
Transfers between funds							
Net movement in funds		(31,267)	53,975	22,708	(51,053)	-	(51,053)
Total funds brought forward	16	2,007,723	-	2,007,723	2,058,776	-	2,058,776
Total funds carried forward	16	1,976,456	53,975	2,030,431	2,007,723	-	2,007,723

- All activities derive from continuing operations.
- The notes on pages 23 to 42 form part of these financial statements.
- The statement of financial activities also complies with the requirement for an income and expenditure account under the Companies Act 2006.
- The statement of financial activities includes all gains and losses recognised in the year.

Leeds Mencap

Balance Sheet as at 30 September 2021

		30 September 2021		30 September 2020	
	Note	£	£	£	£
Fixed assets					
Tangible assets	11		1,852,052		1,890,175
Current assets					
Debtors	12	23,417		37,824	
Cash at bank and in hand		553,585		540,575	
		577,002		578,399	
Creditors: Amounts falling due within one year	13	(107,558)		(137,044)	
Net current assets			469,444		441,355
Creditors: Amounts falling due after more than one year	14		(291,065)		(323,807)
Total net assets			2,030,431		2,007,723
Funds:					
Restrcted funds	15		53,975		-
Unrestricted funds					
General funds	15	195,321		226,730	
Designated funds	15	1,781,135		1,780,993	
Total unrestricted funds			1,976,456		2,007,723
Total funds	15		2,030,431		2,007,723

These financial statements have been prepared in accordance with the special provisions of Part 15 of the Companies Act 2006 relating to small companies and were approved by the Board on 29 March 2022 and signed on its behalf.



Dr Lesley Hewson OBE
Chair

Company registration number 04332965

Leeds Mencap

Statement of Cash Flows for the year ended 30 September 2021

	Note	2021 £	2020 £
Cash flows from operating activities			
Net cash provided by/(used in) operating activities	20	40,133	(99,825)
Cash flows from investing activities			
Purchase of property, plant and equipment		(1,020)	(7,368)
Proceeds from sale of property, plant and equipment		-	828,407
Net cash provided by investing activities		(1,020)	821,039
Cash flows from financing activities			
Repayment of borrowings		(26,103)	(242,633)
Net cash (used in) financing activities		(26,103)	(242,633)
Change in cash and cash equivalents in the year		13,010	478,581
Cash and cash equivalents at the beginning of the year		540,575	61,994
Cash and cash equivalents at the end of the year		553,585	540,575

Leeds Mencap

Notes to the Financial Statements for the year ended 30 September 2021

1. Accounting policies

The principal accounting policies adopted, judgements and key sources of estimation in the preparation of the financial statements are as follows:

Company Information

Leeds Mencap is a Company Limited by Guarantee and is also a registered charity. The registered office is 20 Vinery Terrace, East End Park, Leeds, LS9 9LU.

Each member of the company has undertaken to contribute such amount as may be required not exceeding £1 to the assets of the charitable company in the event of its being wound up while he or she is a member, or within one year after he or she ceases to be a member.

Functional currency

The financial statements are prepared in sterling which is the functional currency of the charity. Monetary amounts in these financial statements are rounded to the nearest £1.

Basis of preparation of the financial statements

The financial statements have been prepared in accordance with the Charities: Statement of Recommended Practice (applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102)) (effective 1 January 2019) - (Charities SORP (FRS 102)), the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) and the Companies Act 2006.

Leeds Mencap meets the definition of a public benefit entity under FRS 102. The financial statements have been prepared under the historical cost convention, modified to include certain financial instruments at fair value. The principal accounting policies adopted are set out below.

Going concern

The charity reported an inflow of cash of £13,010 in the year to September 2021. Nevertheless the trustees recognise that the charity's ongoing activities operate at a deficit and will erode the organisation's cash position over time. The trustees have set in place a recovery strategy, which is discussed on pages 4 and 12 of the trustees' annual report, to improve the efficiency and sustainability of the charity.

The trustees have prepared financial projections, taking into consideration a prudent view of the strategic review actions, the continued cash requirements of ongoing activities until sustainability is reached, the impact of the Covid-19 pandemic, and the current economic climate. This gives assurance that adequate financial resources are available to enable the charity to continue in operational existence for the foreseeable future. Consequently the financial statements have been prepared on the basis that the charity is a going concern.

Leeds Mencap

Notes to the Financial Statements for the year ended 30 September 2021 (continued)

Income

Income is recognised when the charity has entitlement to the funds, any performance conditions attached to the items of income have been met, it is probable that the income will be received and the amount can be quantified with reasonable accuracy.

- Donations and legacies, which include grants, are included in the Statement of Financial Activities (SoFA) when it is probable that the funds will be received and that they can be measured with sufficient reliability.
- Grants, including grants for the purchase of fixed assets, are recognised in full in the SoFA in the period in which they are receivable.
- The value of services provided by volunteers is not included.
- Trading and investment income is accounted for on an accruals basis.
- Where income is received specifically for expenditure in a future accounting period that amount is deferred.

Expenditure

Expenditure is recognised in the period in which it is incurred. Expenditure includes attributable VAT which cannot be recovered:

- Charitable expenditure comprises those costs incurred by the charity in the delivery of its activities and services for its beneficiaries. It includes both costs that can be directly allocated to such activities and those costs of an indirect nature necessary to support them.
- Support costs comprise all non-attributable costs including Finance, Human Resources, Information Technology and Administration. These costs have been allocated across activities either directly or based on usage as set out in note 8.

Staff costs

The costs of short term employee benefits are recognised as a liability and an expense where settlement of obligations does not fall within the same period. Termination benefits are recognised immediately as an expense when the charity is demonstrably committed to terminate the employment of an employee or to provide termination benefits.

Pension costs

The charity operates a defined contribution scheme for its employees. Contributions are charged as an expense to the SoFA in the period in which they fall due.

Fund accounting

Funds held by the charity are either:

General funds: Unrestricted funds are donations and other incoming resources receivable or generated for the objects of the charity without further specified purpose and are available as general funds.

Leeds Mencap

Notes to the Financial Statements for the year ended 30 September 2021 (continued)

Designated funds: Designated funds are unrestricted funds which have been set aside by the executive committee for a specific purpose.

Restricted funds: Restricted funds are to be used for specific purposes as laid down by the donor or through the terms of an appeal. Expenditure which meets these criteria is charged to the fund, together with a fair allocation of management and support costs.

Operating leases

The charity classifies the lease of printing equipment as operating leases; the title to the equipment remains with the lessor. Rentals are charged on a straight line basis over the term of the lease.

Tangible fixed assets and depreciation

Tangible fixed assets are stated at cost or valuation less depreciation. Depreciation is provided at the following annual rates in order to write off fixed assets, less their residual value, over their estimated useful lives:

Plant and equipment	20% reducing balance
Office equipment	15% reducing balance
Motor vehicles	25% reducing balance
Freehold buildings	2% straight line

Individual tangible assets are capitalised if costing in excess of £1,000.

Freehold land is not depreciated.

Financial instruments

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

Cash at bank and in hand

Cash at bank and cash in hand includes cash and short term highly liquid investments with a short maturity held for working capital. Any bank overdrafts are shown within borrowings in current liabilities.

Debtors

Trade and other debtors are recognised at the settlement amount due after any trade discount offered. Prepayments are valued at the amount prepaid.

Financial assets, other than those held at fair value through profit and loss, are assessed for indicators of impairment at each reporting end date.

Financial assets are impaired where there is objective evidence that, as a result of one or more events that occurred after the initial recognition of the financial asset,

Leeds Mencap

Notes to the Financial Statements for the year ended 30 September 2021 (continued)

the estimated future cash flows have been affected. Any impairment loss is recognised in the income and expenditure account.

Financial assets are derecognised only when the contractual rights to the cash flows from the asset expire or are settled, or when the charity transfers the financial asset and substantially all the risks and rewards of ownership to another entity, or if some significant risks and rewards of ownership are retained but control of the asset has transferred to another party that is able to sell the asset in its entirety to an unrelated third party.

Creditors, loans and provisions

Creditors, loans and provisions are recognised where the charity has a present obligation resulting from a past event that will probably result in the transfer of funds to a third party and the amount due to settle the obligation can be measured or estimated reliably. Creditors, loans and provisions are normally recognised at their settlement amount after allowing for any trade discounts due.

Financial liabilities are only derecognised when, and only when, the charity's obligations are discharged, cancelled or they expire.

Amounts recognised as provisions are best estimates of the consideration required to settle the present obligation at the reporting end date, taking into account the risks and uncertainties surrounding the obligation.

Critical Accounting Estimates and Judgements

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

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

The trustees have judged that the following estimates or assumptions have a significant risk of causing a material adjustment to the carrying amount of assets and liabilities:

Freehold property valuations

The freehold property held by the charity was revalued during the period to 30 September 2018 as disclosed in note 11 to the financial statements.

Leeds Mencap

Notes to the Financial Statements for the year ended 30 September 2021 (continued)

The Vinery Centre was revalued in the period to 30 September 2018. Given that there is no intention to sell and its specialist nature, having being designed and built specifically for the charity, market value is not considered an appropriate valuation basis. Accordingly the land was valued at historic cost and the building revalued downward to its depreciated replacement value. Depreciation on the freehold building has been charged in the year to 30 September 2021.

Leeds Mencap

Notes to the Financial Statements for the year ended 30 September 2021 (continued)

2. Grants, donations and legacies

	Unrestricted funds	Restricted funds	2021 Total	Unrestricted funds	Restricted funds	2020 Total
	£	£	£	£	£	£
Donations	18,447	2,500	20,947	22,187	-	22,187
Legacies	31,921	-	31,921	-	-	-
Subscriptions	12	-	12	34	-	34
Donations through event fundraising	11,985	-	11,985	10,613	-	10,613
Grants:						
Age Partnership Charitable Foun	-	-	-	-	1,000	1,000
Alchemy Foundation	-	-	-	500	-	500
Arise South Leeds	-	-	-	-	1,000	1,000
Arnold Clark Community Fund	-	1,000	1,000	-	-	-
Asda Foundation	-	600	600	-	-	-
Awards for All (National Lottery)	-	-	-	-	10,000	10,000
Baily Thomas	-	17,150	17,150	-	-	-
Baty Casson Long	-	-	-	-	500	500
Beatrice Laing Trust	-	-	-	-	5,000	5,000
Big Lottery Fund	-	30,549	30,549	-	-	-
Calmcott Trust	-	-	-	-	1,000	1,000
Cash for Kids	-	1,500	1,500	-	-	-
Charles Brotherton	-	-	-	-	150	150
Charles Brotherton Trust	-	175	175	-	-	-
Children in need	-	26,988	26,988	-	33,289	33,289
Comic Relief	-	56,710	56,710	-	44,579	44,579
David Brooke Charity	-	2,000	2,000	-	-	-
David Lister Charitable Trust	-	-	-	1,000	1,000	2,000
Dorothy Pamela Smith CIO	-	2,000	2,000	-	-	-
EIG - Movement for Good	-	1,000	1,000	-	-	-
FareShare	-	1,000	1,000	-	-	-
Garfield Weston Foundation	-	-	-	-	15,000	15,000
Gledswood Charitable Trust	-	-	-	-	1,000	1,000
Green Hall Foundation	-	2,000	2,000	-	-	-
Hays Travel Foundation	-	-	-	-	2,500	2,500
LCF (Jimbo's fund)	-	18,100	18,100	-	-	-
Leeds City Council	-	-	-	620	-	620
Leeds Community Foundation	-	20,000	20,000	-	12,500	12,500

Leeds Mencap

Notes to the Financial Statements for the year ended 30 September 2021 (continued)

2. Grants, donations and legacies (continued)

	Unrestricted funds	Restricted funds	2021 Total	Unrestricted funds	Restricted funds	2020 Total
	£	£	£	£	£	£
Leeds Convalescent Society	-	-	-	-	500	500
Lynn Foundation	-	-	-	500	-	500
Maryland Trust	-	-	-	-	1,000	1,000
Mollie Croysdale Trust	-	-	-	-	500	500
N Smith Charitable Settlement	-	-	-	750	-	750
National Lottery	-	-	-	-	6,069	6,069
Neighbourly Community Fund	-	-	-	400	-	400
Oliver Ford Trust	-	-	-	-	2,575	2,575
Pudsey Gateway	-	1,000	1,000	-	-	-
Richard Burns Charitable Trust	-	-	-	250	-	250
RMS/Sport England	-	6,340	6,340	-	-	-
Rotary Club of Leeds	-	-	-	500	-	500
Royal Mencap Society	6,360	-	6,360	-	-	-
Sir George Martin Trust	-	2,500	2,500	-	2,500	2,500
Sir Jules Thorn Trust	-	-	-	-	750	750
Skipton Building Society- Charitable Foundation	-	1,492	1,492	-	-	-
Souter Charitable Trust	-	-	-	-	2,000	2,000
St James's Place Charitable Foundation	-	2,500	2,500	-	2,500	2,500
Stella Symons Charitable Trust	-	-	-	-	250	250
The Clothworkers Foundation	-	-	-	-	3,680	3,680
The Co-operative Foundation	-	901	901	-	-	-
The February Foundation	-	-	-	-	5,000	5,000
The George A Moore Foundation	-	1,000	1,000	-	1,000	1,000
The QBE Foundation	-	-	-	-	5,467	5,467
The Screwfix Foundation	-	4,692	4,692	-	-	-
The Seedlings Foundation	-	-	-	-	1,000	1,000
Wades Charity	-	3,000	3,000	-	-	-
Warburtons - Families Matter	-	358	358	-	-	-
West Riding Masonic Charities Ltd	-	4,960	4,960	-	-	-
Willie & Mabel Morris Charitable Trust	-	-	-	1,000	-	1,000
Windmill Community Trust	-	1,000	1,000	-	-	-
Yorkshire Property Charitable Trust	-	-	-	2,000	-	2,000
	68,725	213,015	281,740	40,354	163,309	203,663

The charity benefits greatly from the involvement and enthusiastic support of a number of volunteers. In accordance with FRS 102 the economic contribution of volunteers is not recognised in the financial statements.

Leeds Mencap

Notes to the Financial Statements for the year ended 30 September 2021 (continued)

3. Income from charitable activities

	Unrestricted funds £	Restricted funds £	2021 Total £	Unrestricted funds £	Restricted funds £	2020 Total £
Residents' fees (discontinued)	-	-	-	31,203	-	31,203
Contracts	449,409	87,850	537,259	470,116	-	470,116
Other fees and charges	157,983	-	157,983	153,946	-	153,946
	607,392	87,850	695,242	655,265	-	655,265

4. Other activities

	Unrestricted funds £	Restricted funds £	2021 Total £	Unrestricted funds £	Restricted funds £	2020 Total £
Fundraising activities	2,208	-	2,208	7,719	-	7,719
Licence income/other grant	(956)	-	(956)	4,482	-	4,482
Rent receivable	37,073	-	37,073	60,938	-	60,938
Coronavirus Job Retention Scheme	12,954	-	12,954	33,296	-	33,296
Retail Hospitality and Leisure grant (via LCC)	-	-	-	25,000	-	25,000
	51,279	-	51,279	131,435	-	131,435

5. Other income

	Unrestricted funds £	Restricted funds £	2021 Total £	Unrestricted funds £	Restricted funds £	2020 Total £
Realised gain on sale of the Rookery	-	-	-	2,207	-	2,207
	-	-	-	2,207	-	2,207

6. Expenditure on raising funds

	Unrestricted funds £	Restricted funds £	2021 Total £	Unrestricted funds £	Restricted funds £	2020 Total £
Expenditure on raising funds (direct)	62,513	-	62,513	87,085	-	87,085
Support costs (Note 8)	16,207	-	16,207	23,158	-	23,158
	78,720	-	78,720	110,243	-	110,243

Leeds Mencap

Notes to the Financial Statements for the year ended 30 September 2021 (continued)

7. Expenditure on charitable activities

	Residential care (discontinued)	Family support	General and other activities	Total 2021
	£	£	£	£
Costs directly allocated to activities:				
Activities	-	17,321	67,861	85,182
Wages and related costs	-	184,190	399,846	584,036
Establishment expenses	-	4,258	25,715	29,973
Administrative expenses	-	2,098	7,986	10,084
Support costs (Note 8)	-	63,105	154,453	217,558
	-	270,972	655,861	926,833

Charitable Activities - 2020

	Residential care	Family support	General and other	Total 2020
	£	£	£	£
Costs directly allocated to activities:				
Activities	3,986	13,971	19,729	37,686
Wages and related costs	26,664	200,408	372,213	599,285
Establishment expenses	7,133	3,186	26,092	36,411
Administrative expenses	932	2,462	9,766	13,160
Support costs (Note 8)	7,672	75,713	163,453	246,838
	46,387	295,740	591,253	933,380

Leeds Mencap

Notes to the Financial Statements for the year ended 30 September 2021 (continued)

8. Analysis of support costs

Allocation of costs	Basis of allocation	General support £	Governance £	Total 2021 £
Administrative expenses	Time	44,255	5,815	50,070
Management expenses	Time	102,166	-	102,166
Establishment expenses	Floor area	81,529	-	81,529
		227,950	5,815	233,765

Apportionment of costs	Raising funds £	Charitable activities £	Total 2021 £
Support costs	16,207	217,558	233,765
	16,207	217,558	233,765

Analysis of support costs - 2020

Allocation of costs	Basis of allocation	General support £	Governance £	Total 2020 £
Administrative expenses	Time	46,130	5,499	51,629
Management expenses	Time	138,185	-	138,185
Establishment expenses	Floor area	80,182	-	80,182
		264,497	5,499	269,996

Apportionment of costs	Raising funds £	Charitable activities £	Total 2020 £
Support costs	23,158	246,838	269,996
	23,158	246,838	269,996

Support costs include, categorised as management expenses, bank loan interest of £8,888 (2020: £11,908).

Leeds Mencap

Notes to the Financial Statements for the year ended 30 September 2021 (continued)

9. Net (expenditure) for the year

This is stated after charging:	2021 £	2020 £
Auditors' remuneration:		
Audit services	4,460	4,250
Depreciation of tangible fixed assets	39,143	40,437

10. Employees and trustees

The average monthly number of employees during the year was as follows:

	2021 Number	2020 Number
Fundraising	3	4
Charitable activities	55	62
Governance	3	3
	61	69

The average number of employees, on a full-time equivalent basis, during the year was as follows:

	2021 Number FTE	2020 Number FTE
Fundraising	2	2
Charitable activities	37	40
Governance	2	3
	41	45

Leeds Mencap

Notes to the Financial Statements for the year ended 30 September 2021 (continued)

Staff costs during the year were as follows:

	2021 £	2020 £
Wages and salaries	681,886	760,015
Employer's NI	39,625	43,972
Pension costs	11,852	12,854
Redundancy payments	18,603	-
	751,966	816,841

No employee earned £60,000 or more per annum during the year (2020: no employee).

Redundancy payments were made to 4 members of staff as a result of changes to the Family Support and Hawthorn services.

None of the trustees received remuneration or benefits for their services during the year (2020: no trustee). No expenses were reimbursed to trustees (2020: £15 to one trustee).

The key management personnel of Leeds Mencap are the Trustees, the Chief Executive, the Finance Manager, the Fundraising Manager (to January 2021) and the Family Services Manager. The total employee benefits of the key management personnel of the charity for the year were £115,809 (2020: £147,185).

Leeds Mencap

Notes to the Financial Statements for the year ended 30 September 2021 (continued)

11. Tangible fixed assets

	Freehold land and buildings	Plant and Equipment	Office equipment	Total
	£	£	£	£
Cost or valuation				
At 1 October 2020	1,920,000	49,446	46,916	2,016,362
Additions	-	-	1,020	1,020
Disposals	-	-	-	-
Revaluations	-	-	-	-
At 30 September 2021	1,920,000	49,446	47,936	2,017,382
Depreciation and impairments				
At 1 October 2020	65,200	27,774	33,213	126,187
Disposals	-	-	-	-
Depreciation	32,600	4,335	2,208	39,143
Impairment	-	-	-	-
At 30 September 2021	97,800	32,109	35,421	165,330
Net book values				
At 30 September 2020	1,854,800	21,672	13,703	1,890,175
At 30 September 2021	1,822,200	17,337	12,515	1,852,052

The Vinery Centre was revalued on the basis of depreciated replacement cost as of 30 September 2018. Following a professional appraisal of the property and after careful analysis of the construction costs incurred in 2016, the replacement cost was determined to be £1,920,000 compared to a book value of £2,414,278 and an impairment was recognised in the period to September 2018. Depreciation on the freehold building has been charged in the subsequent accounting periods.

Had the Vinery Centre freehold land and buildings not been revalued, the carrying value at 30 September 2021 under the historical cost method would have been £2,280,112.

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Notes to the Financial Statements for the year ended 30 September 2021 (continued)

12. Debtors

	2021	2020
	£	£
Trade debtors	15,319	14,315
Prepayments and accrued income	8,098	23,509
Other debtors	-	-
	23,417	37,824

13. Creditors: amounts falling due within one year

	2021	2020
	£	£
Bank loans	35,982	29,343
Trade creditors	15,068	14,158
Taxation and social security	15,864	13,112
Other creditors	3,293	2,331
Accruals	22,909	15,966
Deferred income (note 13A)	14,442	62,134
	107,558	137,044

13A. Deferred income

	2021	2020
	£	£
At 1 April 2019	62,134	100,471
Amount released to income	(62,134)	(100,471)
Amount deferred in the period	14,442	62,134
At 30 September 2020	14,442	62,134

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Notes to the Financial Statements for the year ended 30 September 2021 (continued)

14. Creditors: amounts falling due after more than one year

	2021 £	2020 £
Secured bank loan (falling due in less than 2 years)	36,929	36,060
Secured bank loan (falling due between 2 and 5 years)	254,136	287,747
	<u>291,065</u>	<u>323,807</u>

The bank loan is provided by Barclays Bank plc and is secured by a first legal charge over land at The Vinery Centre, 20 Vinery Terrace, Leeds. Interest is charged monthly at 2.5% over the Bank of England base rate. The term is 5 years, although repayments are calculated on the basis of a 10 year repayment profile. The bank agreed a capital repayment holiday of 12 months from 18 December 2019, meaning the first repayment was made in January 2021; whilst the loan was interest only, the charity settled interest costs as they fell due.

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Notes to the Financial Statements for the year ended 30 September 2021 (continued)

15. Movement in funds

	Balance at 1 October 2020	Income	Expenditure	Transfers	Gains and losses	Balance at 30 September 2021
	£	£	£	£	£	£
Restricted funds:						
Hawthorn Fund						
Children in Need	-	8,297	(8,297)	-	-	-
LCF (Jimbo's fund)	-	18,100	(7,587)	-	-	10,513
Other	-	3,500	(3,500)	-	-	-
Family Support						
Comic Relief	-	56,710	(63,051)	-	-	(6,341)
Other	-	34,503	(17,353)	-	-	17,150
Childcare	-	23,958	(23,958)	-	-	-
Youth Activities						
Children in Need (Sibs)	-	18,691	(8,538)	-	-	10,153
Youth Clubs	-	14,015	(14,015)	-	-	-
Community Hub Project/Other						
National Lottery	-	30,549	(30,549)	-	-	-
Leeds City Council	-	87,850	(65,350)	-	-	22,500
Other	-	4,692	(4,692)	-	-	-
Total restricted funds at 30 September 2021	-	300,865	(246,890)	-	-	53,975
Unrestricted funds:						
Designated funds						
Vinery Centre - Property	1,530,993	-	(32,600)	32,742	-	1,531,135
Contingency reserve	250,000	-	-	-	-	250,000
	1,780,993	-	(32,600)	32,742	-	1,781,135
General funds	226,730	727,396	(726,063)	(32,742)	-	195,321
Total unrestricted funds at 30 September 2021	2,007,723	727,396	(758,663)	-	-	1,976,456
Total funds at 30 September 2021	2,007,723	1,028,261	(1,005,553)	-	-	2,030,431

Leeds Mencap

Notes to the Financial Statements for the year ended 30 September 2021 (continued)

Movement in funds - 2020

	Balance at 1 October 2019 £	Income £	Expenditure £	Transfers £	Gains and losses £	Balance at 30 September 2020 £
Restricted funds:						
Hawthorn Fund						
Children in Need	-	32,716	(32,716)	-	-	-
Other	-	9,217	(9,217)	-	-	-
Family Support						
Comic Relief	-	44,579	(44,579)	-	-	-
Garfield Weston	-	15,000	(15,000)	-	-	-
Other	-	29,680	(29,680)	-	-	-
Childcare	-	13,500	(13,500)	-	-	-
Youth Activities						
Children in Need (Sibs)	-	573	(573)	-	-	-
Youth Clubs	-	5,750	(5,750)	-	-	-
Friday Club	-	6,225	(6,225)	-	-	-
Community Hub Project						
National Lottery	-	6,069	(6,069)	-	-	-
Total restricted funds at 30 September 2020	-	163,309	(163,309)	-	-	-
Unrestricted funds:						
Designated funds						
Vinery Centre - Property	1,887,400	-	(32,600)	(323,807)	-	1,530,993
Rookery - Property	444,095	-	-	(444,095)	-	-
Contingency reserve	-	-	-	250,000	-	250,000
	2,331,495	-	(32,600)	(517,902)	-	1,780,993
General funds	(272,719)	829,261	(847,714)	517,902	-	226,730
Total unrestricted funds at 30 September 2020	2,058,776	829,261	(880,314)	-	-	2,007,723
Total funds at 30 September 2020	2,058,776	992,570	(1,043,623)	-	-	2,007,723

Leeds Mencap

Notes to the Financial Statements for the year ended 30 September 2021 (continued)

Purpose of restricted funds:

Hawthorn Fund:	Funds to be used for staffing, running and equipment costs of the specialist playroom for young children with a learning disability, or for specialist support to children with learning disabilities or development delay in the community nursery, and the costs of providing support to their families.
Parent Support:	Funds to be used for the staffing, running and equipment costs of support services provided to parents and carers of people with learning disabilities and their wider families.
Childcare:	Funds specifically for Jimbo's Community Nursery, operated by Leeds Mencap.
Youth Activities:	Funds for staffing, running and equipment costs for our different clubs and activities for children and young people with learning disabilities or their siblings.
Community Hub Project/other	Funds for staffing and running the Hub Project, in partnership with other community organisations in the Burmantofts & Richmond Hill area of East Leeds, in response to needs presented by the Covid-19 pandemic.

Purpose of designated (unrestricted) funds:

Property Funds:	The Vinery Centre is the charity's principal functional fixed asset. The designated fund is maintained at a value equivalent to the net book value of the Vinery Centre land and buildings, less the long term liability value of the bank loan secured against it. Much of the fund was sourced through restricted grants and donations, the application of which, in the acquisition of the Centre, discharged the restrictions. The expenditure allocated to this fund is the annual depreciation charge.
Contingency reserve:	The trustees designated this fund from the proceeds of the sale of the Rookery in October 2019. It is set at a sum equivalent to three months' running costs. It is a backstop reserve to be used only in two limited circumstances: either for short-term liquidity against assured and certain future income, or to meet redundancy costs and similar contingent liabilities if the trustees assess Leeds Mencap no longer to have the potential to be a sustainable organisation..

Leeds Mencap

Notes to the Financial Statements for the year ended 30 September 2021 (continued)

16. Analysis of net assets by fund

As at 30 September 2021	Tangible fixed assets	Net current assets	Long term liabilities	Total
	£	£	£	£
Restricted funds:	-	53,975	-	53,975
Unrestricted funds:				
General	29,852	165,469	-	195,321
Designated	1,822,200	250,000	(291,065)	1,781,135
	1,852,052	469,444	(291,065)	2,030,431

As at 30 September 2020	Tangible fixed assets	Net current assets	Long term liabilities	Total
	£	£	£	£
Restricted funds:	-	-	-	-
Unrestricted funds:				
General	35,375	191,355	-	226,730
Designated	1,854,800	250,000	(323,807)	1,780,993
	1,890,175	441,355	(323,807)	2,007,723

17. Operating lease commitments

As at 30 September 2021 the charity had annual commitments under non-cancellable operating leases as follows:

	Office equipment	
	2021	2021
	£	£
Expiry date:		
Within one year	536	1,072
Between one and five years	-	535
	536	1,607

Leeds Mencap

Notes to the Financial Statements for the year ended 30 September 2021 (continued)

18. Taxation

Leeds Mencap is a registered charity and as such is a charity within the meaning of schedule 6 of the Finance Act 2010. Accordingly, it is potentially entitled to tax exemption under part 11 of the Corporation Tax Act 2010 or section 256 of the Taxation of Chargeable Gains Act 1992 in respect of income and gains arising.

19. Related party transactions

No trustee or other person related to the charity had any personal interest in any contract or transaction entered into by the charity during the period. Trustees' expenses are disclosed in note 10 to the financial statements. There are no other related party transactions to disclose in the financial statements.

20. Reconciliation of net movements in funds to net cash flow from operating activities

	2021 £	2020 £
Net movement in funds	22,708	(51,053)
Add back depreciation	39,143	40,437
(Profit) on the sale of fixed assets	-	(2,207)
Decrease in debtors	14,407	33,380
(Decrease) in creditors	(36,125)	(120,382)
	40,133	(99,825)

21. Analysis of changes in net debt

	1 October 2020 £	Cashflows £	Other non- cash changes £	30 September 2021 £
Cash at bank and in hand	540,575	13,010	-	553,585
Bank loan falling due within 1 year	29,343	(26,972)	33,611	35,982
Secured bank loan (falling due in less than 5 years)	287,747	-	(33,611)	254,136
	857,665	(13,962)	-	843,703