

Company Number 04332965

Charity Number 1091809



Leeds Mencap

(A Company Limited by Guarantee)

Annual Report and Financial Statements

For the year ended 30 September 2022

Leeds Mencap

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Charity Information

Trustees	L Hewson	Chair	
	T Burt		
	D Clayton		(resigned 7 December 2021)
	S Lenehan		(resigned 29 March 2022)
	S Clarke		
	H Cohen		
	C Murray		
	K Goldring		(appointed 29 March 2022)
Chief Executive Officer	Cath Lee		(to 24 February 2023)
	Ged Walker		(from 6 February 2023)
Charity number	1091809		
Company number	04332965		
Principal and registered office	20 Vinery Terrace		
	Leeds		
	LS9 9LU		
Auditors	HPH Accountants LLP		
	54 Bootham		
	York		
	YO30 7XZ		
Bankers	Barclay Bank plc		
	Barclays Business Centre		
	Leeds		
	LS1 1PA		

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Report of the trustees for the year ended 30 September 2022

The trustees are pleased to present their annual report together with the financial statements of the charity for the year ended 30 September 2022. These 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.

Review of the year by the Chair of trustees

The focus of 2021/22 was on going recovery from the impact of the pandemic and putting sound foundations in place for the implementation of a new 5 year strategy.

Our 3 areas of focus were:

Financial and operational recovery from the pandemic

Although life gradually returned to normal during 2021-22 our recovery was slow and by the end of the year we had not fully recovered to our pre-pandemic levels of operation or income. There were 3 key factors affecting this:

- The national shortage of applicants meant that staff recruitment was extremely challenging and being unable to fill vacancies meant we struggled to meet demand in some services. These challenges were exacerbated by staff absence due to spikes in Covid infections, coupled with the general increase in sickness levels as people started to mix again. A crucial vacancy in fundraising also impacted on our ability to build back our voluntary income.
- The fundraising environment remained challenging. During the pandemic many smaller family trusts experienced challenges, either remaining closed or delayed in taking applications. A number of major trusts and foundations closed their funding streams in order to re-group and review their strategic direction.
- Cost of living crisis – towards the end of the year the impact of the war in Ukraine, increases in fuel prices and inflation were beginning to have an impact. This resulted in an increase in direct costs and an impact on securing sufficient funds.

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Report of the trustees for the year ended 30 September 2022 (continued)

Developing a 3 year plan from 2022 – 2025 to improve sustainability and ensure strong foundations are in place for future development

- The trustees and managers worked together to refine the aims and objectives of the new strategy based on more detailed analysis and planning events. The change to a 5 year timeframe for the strategy is in acknowledgement of the challenges presented by a slow recovery from the pandemic.

Our Five year plan now has 4 strategic aims:

- Improve the reach and increase the range of services, activities and support we offer
- Ensure the operating model of Leeds Mencap is financially sustainable
- To be an organisation where everyone feels they belong and are valued for their contribution
- To promote an organisational culture of continual improvement responding to the needs and views of people who use our services. Everything we do is high quality and safe.

In June 2022 our CEO gave notice that they would leave their role in February 2023. In view of this the trustees decided to retain some flexibility in the strategy and not plan beyond year 1 of implementation to allow for the incoming CEO to input and to respond to new and continuing external pressures.

Strengthening the Board to provide leadership and good governance

- During the year we said farewell to 2 trustees – Danni Clayton and Sam Lenehan – and we thank them both for their contribution and dedication over many years, particularly for their support through the challenges of the pandemic
- As with staff recruitment, trustee recruitment has been challenging but we were delighted to appoint Kate Goldring to the board in March 2022.
- The Chair, Trustees and the CEO have worked hard during the year to embed improvements to the governance of the organisation and cement trustees understanding of the organisation's work.

Finally on behalf of the trustees I would like to recognise the dedication of the whole of the staff team and to thank them for their time and commitment in ensuring that our services have continued to be there for those who most need them, and to the trustees who all contribute their time as volunteers.

Dr Lesley Hewson OBE
Chair of trustees

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Report of the trustees for the year ended 30 September 2022 (continued)

Charitable purpose and principal activities

The charitable objects guide the trustees in ensuring our work meets charitable purposes and is of public benefit. They 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.

We also offer training in relevant areas such as sleep and communication skills (eg. Makaton) and parents/carers have the opportunity to come together and meet each other at a weekly coffee morning.

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 the 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 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.

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Report of the trustees for the year ended 30 September 2022 (continued)

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 a higher number of children than average have delays in their development, as well as, 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.

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.

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.

Public Benefit

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

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Report of the trustees for the year ended 30 September 2022 (continued)

In particular in developing the organisation's 5 year strategy the trustees took time to develop a theory of change and assess our current services alongside our future aims and objectives. This ensures they remain for the public benefit, in particular but not exclusively, for the benefit of children and young people with learning disabilities and their families.

Performance and Achievements

Despite the challenges, we delivered our core services and developed some new approaches. We delivered in person services to a total of 572 people (children, young people, and parents/carers) between October 2021 and September 2022. We

- Supported 21 children aged 0 – 4 in the specialist playroom.
- Delivered ongoing tailored one-to-one advice, support, and guidance to 70 families.
- Supported 24 families whose children have learning disabilities aged 0 – 4 through our new coffee morning/stay and play sessions.
- Ran youth clubs and social activities for 55 children and young people with a learning disability aged 9 – 25.
- Ran holiday playschemes in the school holidays for 184 children with learning disabilities aged between 4 and 18.
- Supported 18 children and young people who have a brother or sister with a learning disability.

A further 269 children benefited from attending the mainstream nursery and Holiday Club. We were successful in securing significant funding through the Healthy Holidays scheme again this year. This scheme enables children to continue to access free school meals throughout the holidays and take part in activities and outings to broaden their experience. As a result of the funding, we were able to provide Holiday Club places free of charge to local children who experience disadvantage.

During this year 875 individuals visited the Vinery Centre, making just over 20,000 visits. Of the total number of visitors 33% (289) have a learning disability or support someone with a learning disability.

In addition to our core work we developed some new approaches in response to the pandemic and moved a step towards implementing our strategic objectives.

- We developed online information and resources for families including a toy library, website membership area and a Facebook group. It is hoped this will create a sense of community amongst families and also provide more ways to access support. These additional services are due to be launched in 2022-23.

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Report of the trustees for the year ended 30 September 2022 (continued)

- We reviewed how our nursery and specialist playroom operate together and put in place some changes to enable us to better meet the needs of families who need childcare for their child with learning disabilities whilst they work or study. The changes we implemented now allows the nursery to operate more inclusively across the different playrooms. This offer is supplemented by shorter developmental play sessions in the specialist playroom for children who are aged under 2 or as part of a transition into a nursery place for 15 hours or more.
- We were successful in securing a contract with Leeds City Council to support the writing of Education Health and Care Plans. One of the key issues for children and young people not getting the support they need is that there is a backlog in the assessments and annual reviews of the plans that are needed to ensure the right support is in place.
- We took part in both local and national forums aimed at raising awareness and influencing policy and strategy relating to children with SEND. Our Family Services Manager is a member of the SEND Partnership Board, SILC Cluster Board, Vice Chair of Young Lives Leeds, and national SEND Providers Forum. Our Childcare Manager has continued her work as a Mentor Champion under the Early Years Professional Development Programme. Our CEO was selected as Third Sector Representative on the Maternity Care Delivery Board as part of the Integrated Care Partnership structure in West Yorkshire.
- Throughout the year we continued to contribute to our local community. We continued to receive funding as part of Leeds City Council COVID response until December 2021 and then through local Well-being Funding until March 2022 to work with the partnership to consider transitioning the Community Hub partnership into a local 'Community Anchor'. We are now an active part of Burmantofts & Richmond Hill Community Anchor Network which acts as a gateway to engaging with the community, an anchor and co-designer for local service development, investment and activity. Information links, devised by our Centre Support Staff, went 'live' and were rolled out to partners and agencies across the ward to help people know about services and activities.
- We were pleased to host visits by the CEO and trustees of Royal Mencap Society and share our knowledge and experience of supporting people with learning disabilities in Leeds.
- Unfortunately, due to the impact of the pandemic on our voluntary income we needed to reduce our youth club provision and move to running the club alternate weeks for each age group. This was a disappointing development and we aim to be able to rebuild our activities for young people in the future.

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Report of the trustees for the year ended 30 September 2022 (continued)

Our achievements during the year would not have been possible without the support of all those who funded and supported us. We were extremely grateful to them all. 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.

Changes to the Board

During the year, with a new Chair leading the board of trustees, the focus was on building the knowledge and confidence of the members of the board and improving governance. The trustees undertook a review using the Charity Code of Governance. As a result, the trustees updated and introduced key documents; Matters reserved for the Board, Conflict of interest, Code of Conduct. Trustees introduced three Sub Committees: Finance, Risk and Audit; Strategy, Development and Monitoring; and Fundraising, Marketing and Communication and reviewed the reporting processes to support them.

Recruitment of new trustees to fill remaining skill gaps proved challenging and this will be an ongoing area of focus for 2022 – 23.

Fundraising

Fundraising remains essential for Leeds Mencap's income and a small fundraising team is employed for this purpose. During the reporting period our ability to rebuild our income post-pandemic was hampered by increased competition for funds as well as reduced capacity in our small team. The Fundraising Manager left to move to another role and despite a number of recruitment rounds we were unable to fill the post. Our core funds are raised from charitable trusts, from local businesses and 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 been slow to recover after the pandemic, along with community fundraising and events.

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.

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Report of the trustees for the year ended 30 September 2022 (continued)

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 reception duties. We are greatly indebted to them for their commitment and support.

Structure, Governance and Management

Governing document

The organisation is a charitable company limited by guarantee and is governed by Articles of Association.

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 and 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. 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.

During the year the trustees established three sub committees:

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Report of the trustees for the year ended 30 September 2022 (continued)

- Finance, Risk and Audit sub-committee
- Strategy, Development and Monitoring sub-committee
- Fundraising, Marketing and Communications sub-committee

Trustees are expected to be an active member of one sub-committee in addition to attending quarterly Board meetings.

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.

Risk Management

The trustees monitor the major risk areas including governance, financial, operational, reputational, and environmental risks. As a minimum 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 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 several 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.

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Report of the trustees for the year ended 30 September 2022 (continued)

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 monthly 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 9 and 18 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.

Financial Review

Summary

Income for the year was £1,002,426 (2021: £1,028,261), a decrease of 2.51%. Unrestricted income, however, increased by 10.07% to £ 800,627 (2021: £ 727,396).

Expenditure for the year was £1,030,559 (2021: £1,005,553) which represents an increase of 2.49% (2021: 3.65% decrease). The principal reason for the increase in expenditure was that room hire and childcare activities began to recover from the Covid pandemic.

The outcome for the year across all funds was a deficit of £28,133 (2021: £22,708 surplus). 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 £20,489 (2021: £31,267) or 2.03% of in-year income (2021: 3.21%). This indicates continuing modest progress, although it is difficult to draw firm conclusions for two years affected by the Covid-19 pandemic.

Net current assets at 30 September had decreased by £29.1k to £440,331 (2021: £469,444) over the year. The closing cash balance had decreased by £237.3k to £316,281 (2021: £553,585) but, as £170K was transferred to cash investments the effective reduction was £67.3k. The trustees assess that this is sufficient resource to provide time to continue 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, Leeds City Council for the Education Healthcare Plan writing contract and a number of charities and trusts. The largest charitable funders were Comic Relief, Leeds Community Foundation, the Morrison's Foundation, the Rotary

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Report of the trustees for the year ended 30 September 2022 (continued)

Club and BBC Children in Need. 13 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. One legacy of £21.3k was received. 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 2022 the charity's net current assets were £440,331. During the year, 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. Given current projections and market volatility, £170k has been transferred into two one-year fixed terms bonds.

Reserves policy

As at 30 September 2022 the charity had total funds of £2,002,298, of which £46,331 was restricted. Unrestricted funds, therefore, totalled £1,955,967 and of this £1,532,749 was designated as a property fund, being the tangible fixed asset value of the Vinery Centre less the loan secured against it. Unrestricted and undesignated funds were £423,218, but of this £29,128 represented functional fixed assets leaving free reserves of £394,000. The long-term liability of the loan represents 14.3% 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 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, which is £257,000 based on the 2022/23 budget. This is the level required to maintain short-term liquidity against assured future income, or to meet specific and limited contingent liabilities, for the organisation when operating in a steady state. The charity's current reserves exceed the minimum level by £137,000 but the trustees consider this necessary to fund the future costs of the recovery strategy and any losses incurred during its implementation.

Future Plans

Our immediate plans (2022-23) are focused on continuing to rebuild our financial and operational position, start implementation of our 5 year strategy and welcome a new CEO.

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Report of the trustees for the year ended 30 September 2022 (continued)

We aim to make progress towards our Strategic Aims as follows:

Strategic Aim 1: Improve the reach and increase the range of services, activities and support we offer

- To maintain and extend the Early Years family support offer and continue to build upon its reputation
- To explore new potential projects and look at potential funding opportunities.
- Continue to build upon the professional reputation of Leeds Mencap via representation on appropriate boards and forums i.e., SEND Partnership Board, YLL, National EY SEND Forum etc to ensure that service design, funding and systems take account of the needs of children and young people with learning disabilities and their families
- Improve the nursery offer to provide a wider range of activities, equipment and resources which will meet a wider range of needs and continue to address the negative impacts of the pandemic.
- Increase the profile of Leeds Mencap as an inclusive childcare provider with a unique model (in Leeds) both locally and nationally.
- Engage with the local community to ensure those living in the area know about our services and make referrals
- Raise the profile of Leeds Mencap and learning disability to increase take up of services and support the development of partnerships

Strategic Aim 2: Ensure the operating model of Leeds Mencap is financially sustainable

- Ensure that services are running at capacity and fee income is being collected in a timely manner. Ensure that services are run in a cost-effective manner.
- Grow our own talent by recruiting 2 new apprentices in the nursery.
- Increase staff numbers in the nursery.
- Increase the number of filled places in all rooms (subject to compliance with staff ratios) to increase surplus income
- Maximise room hire contribution to income generation.
- Achieve fundraising targets from a range of income sources.

Strategic Aim 3: To be an organisation where everyone feels they belong and are valued for their contribution.

- Ensure that paperwork used across all services reflects a common EDI monitoring framework.

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Report of the trustees for the year ended 30 September 2022 (continued)

- Begin to understand the current make up of service users, Increase the level of recording of diversity related information to understand the current profile of families
- Ensure staff wellbeing and development is prioritised across all services.
- Have regular meetings/events for staff.
- Staff to be trained in EDI.
- Ensure policies and procedures around staff, volunteer and placement recruitment, support, and development, assist our aspirations to be an inclusive and diverse workforce.

Strategic Aim 4: To promote an organisational culture of continual improvement responding to the needs and views of people who use our services. Everything we do is high quality and safe.

- Finalise KPIs and other data gathering systems so that we are able to accurately show impact of services.
 - Develop ways of increasing our engagement with service users
 - Achieve Outstanding at the next Ofsted inspection.
 - Improve confidence and understanding around safeguarding.
 - Improve skills in working with children with additional needs.
- Ensure feedback and views from centre users are captured and used to inform developments.
- Embed systems to assess the viability, and evaluate the success, of fundraising activities and events

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.

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Report of the trustees for the year ended 30 September 2022 (continued)

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.

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

HPH Accountants LLP were appointed auditor to the charitable company following a competitive process in July 2022 and 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: 20 April 2023

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Independent Auditors' Report to the Members of Leeds Mencap

Opinion

We have audited the financial statements of Leeds Mencap for the year ended 30 September 2022 which comprises the Statement of Financial Activities, the Balance Sheet, the Cash Flow Statement, and notes to the financial statements, including 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 2022 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.

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

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 trustees are responsible for the other information contained within the annual report. 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.

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 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.

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 have been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In light of the 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 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
- the financial statements are not in agreement with the accounting records and returns; or

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

- certain disclosures of trustees' 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 exemption in preparing the trustees' report.

Responsibilities of trustees

As explained more fully in the trustees' responsibilities statement set out on page 14, 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 extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

Leeds Mencap

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

- We obtained an understanding of the legal and regulatory frameworks within which the company operates, focusing on those laws and regulations that have a direct effect on the determination of material amounts and disclosures in the financial statements. The laws and regulations we considered in this context were the Companies Act 2006 together with the Charities Statement of Recommended Practice (FRS102). We assessed the required compliance with these laws and regulations as part of our audit procedures on the related financial statement items.
- In addition, we considered provisions of other laws and regulations that do not have a direct effect on the financial statements but compliance with which might be fundamental to the charitable company's ability to operate or to avoid a material penalty. The laws and regulations we considered in this context were Childcare Act 2006, Health and Safety legislation, Employment legislation, Charity Commission regulations and General Data Protection Regulation (GDPR).
- 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.
- We also considered the opportunities and incentives that may exist within the charitable company for fraud.
- We identified the greatest risk of material impact on the financial statements from irregularities, including fraud, to be the override of controls by management and income recognition.

In response to the risk of irregularities and non-compliance with laws and regulations and risk of fraud, we designed procedures which included but were not limited to: sample testing on the posting of journals, timing of recognition of income, review of trustee's minutes and any correspondence with regulators.

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. We are not responsible for preventing non-compliance and cannot be expected to detect non-compliance with all laws and regulations. These inherent limitations are particularly significant in the case of misstatement resulting from fraud as this may involve sophisticated schemes designed to avoid detection, including deliberate failure to record transactions, collusion, or the provision of intentional misrepresentations. We are not responsible for preventing fraud and cannot be expected to detect all fraud.

Leeds Mencap

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

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: 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.

Sarah Wearing (Senior Statutory Auditor)

For and on behalf of HPH, Statutory Auditor
54 Bootham
York
YO30 7XZ

26 April 2023

Leeds Mencap

Statement of Financial Activities (including Income and Expenditure Account) for the year ended 30 September 2022

		For the year ended 30 September 2022			For the year ended 30 September 2021		
	Note	Unrestricted funds	Restricted funds	Total funds	Unrestricted funds	Restricted funds	Total funds
		£	£	£	£	£	£
Income							
Grants, donations and legacies	2	55,702	185,894	241,596	68,725	213,015	281,740
Charitable activities	3	654,097	15,905	670,002	607,392	87,850	695,242
Other activities	4	90,828	-	90,828	51,279	-	51,279
Total income		800,627	201,799	1,002,426	727,396	300,865	1,028,261
Expenditure							
Raising funds	5	67,948	-	67,948	78,720	-	78,720
Charitable activities	6	753,168	209,443	962,611	679,943	246,890	926,833
Total expenditure		821,116	209,443	1,030,559	758,663	246,890	1,005,553
Net income/(expenditure) for the year before transfers	8	(20,489)	(7,644)	(28,133)	(31,267)	53,975	22,708
Transfers between funds		-	-	-	-	-	-
Net movement in funds		(20,489)	(7,644)	(28,133)	(31,267)	53,975	22,708
Reconciliation of funds							
Total funds brought forward	15	1,976,456	53,975	2,030,431	2,007,723	-	2,007,723
Total funds carried forward	15	1,955,967	46,331	2,002,298	1,976,456	53,975	2,030,431

- All activities derive from continuing operations.
- The notes on pages 24 to 43 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 2022

		30 September 2022		30 September 2021	
	Note	£	£	£	£
Fixed assets					
Tangible assets	10		1,818,818		1,852,052
Current assets					
Debtors	11	35,308		23,417	
Investments		170,000		-	
Cash at bank and in hand		316,281		553,585	
		521,589		577,002	
Creditors: Amounts falling due within one year	12	(81,258)		(107,558)	
Net current assets			440,331		469,444
Creditors: Amounts falling due after more than one year	13		(256,851)		(291,065)
Total net assets			2,002,298		2,030,431
Funds:					
Restrctited funds	14		46,331		53,975
Unrestricted funds					
General funds	14	423,218		195,321	
Designated funds	14	1,532,749		1,781,135	
Total unrestricted funds			1,955,967		1,976,456
Total funds	14		2,002,298		2,030,431

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 28 March 2023 and signed on its behalf.

Dr Lesley Hewson OBE
Director/Chair

Company registration number 04332965

Leeds Mencap

Statement of Cash Flows for the year ended 30 September 2022

	Note	2022 £	2021 £
Cash flows from operating activities			
Net cash provided by/(used in) operating activities	20	(26,584)	40,133
Cash flows from investing activities			
Purchase of property, plant and equipment		(5,542)	(1,020)
Proceeds from sale of property, plant and equipment		-	-
Purchase of investments		(170,000)	-
Net cash provided by investing activities		(175,542)	(1,020)
Cash flows from financing activities			
Repayment of borrowings		(35,178)	(26,103)
Net cash (used in) financing activities		(35,178)	(26,103)
Change in cash and cash equivalents in the year		(237,304)	13,010
Cash and cash equivalents at the beginning of the year		553,585	540,575
Cash and cash equivalents at the end of the year		316,281	553,585

Leeds Mencap

Notes to the Financial Statements for the year ended 30 September 2022

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 outflow of cash of £67,304, net of cash investments, in the year to September 2022. 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 page 13 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 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.

Leeds Mencap

Notes to the Financial Statements for the year ended 30 September 2022 (continued)

Consequently the financial statements have been prepared on the basis that the charity is a going concern.

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 7.

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:

Leeds Mencap

Notes to the Financial Statements for the year ended 30 September 2022 (continued)

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.

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. (There were no continuing leases at the end of the year)

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.

Current asset investments

Current asset investments are cash deposits with maturity dates longer than three months but not greater than one year. Their value is measured at cost which, by definition, is also their redemption value and interest is recognised when receivable.

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.

Leeds Mencap

Notes to the Financial Statements for the year ended 30 September 2022 (continued)

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, 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.

Leeds Mencap

Notes to the Financial Statements for the year ended 30 September 2022 (continued)

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 10 to the financial statements.

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 2022.

Leeds Mencap

Notes to the Financial Statements for the year ended 30 September 2022 (continued)

2. Grants, donations and legacies

	Unrestricted funds £	Restricted funds £	2022 Total £	Unrestricted funds £	Restricted funds £	2021 Total £
Donations	16,193	15,259	31,452	18,447	2,500	20,947
Legacies	21,323	-	21,323	31,921	-	31,921
Subscriptions	-	-	-	12	-	12
Donations through event fundraising	11,736	-	11,736	11,985	-	11,985
Grants:						-
Arnold Clark Community Fund	-	-	-	-	1,000	1,000
Asda Foundation	-	825	825	-	600	600
Baily Thomas	-	-	-	-	17,150	17,150
Big Lottery Fund	-	-	-	-	30,549	30,549
Cash for Kids	-	-	-	-	1,500	1,500
Charles Brotherton	-	175	175	-	-	-
Charles Brotherton Trust	-	-	-	-	175	175
Children in need	-	9,986	9,986	-	26,988	26,988
Comic Relief	-	71,221	71,221	-	56,710	56,710
David Brooke Charity	-	-	-	-	2,000	2,000
Dorothy Pamela Smith CIO	-	-	-	-	2,000	2,000
EIG - Movement for Good	-	-	-	-	1,000	1,000
FareShare	-	-	-	-	1,000	1,000
Green Hall Foundation	-	-	-	-	2,000	2,000
LCF (Jimbo's fund)	-	-	-	-	18,100	18,100
Leeds Civic Trust	450	-	450	-	-	-
Leeds Community Foundation	-	27,948	27,948	-	20,000	20,000
Pudsey Gateway	-	-	-	-	1,000	1,000
RMS/Sport England	-	6,640	6,640	-	6,340	6,340
Rotary Club of Leeds	-	16,380	16,380	-	-	-
Royal Mencap Society	-	-	-	6,360	-	6,360
Samuel Storey Tust	-	200	200	-	-	-
Sovereign Health Care	-	2,000	2,000	-	-	-
Sir George Martin Trust	-	-	-	-	2,500	2,500
Skipton Building Society-	-	-	-	-	1,492	1,492
St James's Place Charitable Four	-	-	-	-	2,500	2,500
The Calmcott Trust	-	1,000	1,000	-	-	-
The Charles & Elsie Sykes Trust	1,000	-	1,000	-	-	-
The Co-operative Foundation	-	1,576	1,576	-	901	901
The George A Moore Foundation	-	-	-	-	1,000	1,000
The Mollie Croysdale Trust	-	1,000	1,000	-	-	-
The Morrisons Foundation	-	22,384	22,384	-	-	-
The Screwfix Foundation	-	-	-	-	4,692	4,692
Vickers Staff Charitable Fund	5,000	-	5,000	-	-	-
Voluntary Action Leeds	-	8,300	8,300	-	-	-
Wades Charity	-	-	-	-	3,000	3,000
Warburtons - Families Matter	-	-	-	-	358	358
West Riding Masonic Charities Lt	-	-	-	-	4,960	4,960
Windmill Community Trust	-	1,000	1,000	-	1,000	1,000
	55,702	185,894	241,596	68,725	213,015	281,740

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 2022 (continued)

3. Income from charitable activities

	Unrestricted funds £	Restricted funds £	2022 Total £	Unrestricted funds £	Restricted funds £	2021 Total £
Residents' fees (discontinued)	-	-	-	-	-	-
Contracts	456,108	15,905	472,013	449,409	87,850	537,259
Other fees and charges	197,989	-	197,989	157,983	-	157,983
	654,097	15,905	670,002	607,392	87,850	695,242

4. Other activities

	Unrestricted funds £	Restricted funds £	2022 Total £	Unrestricted funds £	Restricted funds £	2021 Total £
Fundraising activities	5,219	-	5,219	2,208	-	2,208
Licence income/other grant	2,915	-	2,915	(956)	-	(956)
Rent receivable	82,694	-	82,694	37,073	-	37,073
Coronavirus Job Retention Scheme	-	-	-	12,954	-	12,954
	90,828	-	90,828	51,279	-	51,279

5. Expenditure on raising funds

	Unrestricted funds £	Restricted funds £	2022 Total £	Unrestricted funds £	Restricted funds £	2021 Total £
Expenditure on raising funds (direct)	51,638	-	51,638	62,513	-	62,513
Support costs (Note 8)	16,310	-	16,310	16,207	-	16,207
	67,948	-	67,948	78,720	-	78,720

Leeds Mencap

Notes to the Financial Statements for the year ended 30 September 2022 (continued)

6. Expenditure on charitable activities

	Family support	Early Years/ Childcare	General and other activities	Total 2022
	£	£	£	£
Costs directly allocated to activities:				
Activities	14,948	59,604	17,660	92,212
Wages and related costs	161,537	352,596	56,305	570,438
Establishment expenses	4,083	1,212	24,654	29,949
Administrative expenses	2,916	2,841	5,637	11,394
Support costs (Note 7)	50,627	144,665	63,326	258,618
	234,111	560,918	167,582	962,611

Charitable Activities - 2021

	Family support	Early Years/ Childcare	General and other	Total 2021
	£	£	£	£
Costs directly allocated to activities:				
Activities	9,625	59,755	15,802	85,182
Wages and related costs	147,634	323,789	112,613	584,036
Establishment expenses	4,258	366	25,349	29,973
Administrative expenses	2,098	2,496	5,490	10,084
Support costs (Note 8)	41,555	114,860	61,143	217,558
	205,170	501,266	220,397	926,833

Leeds Mencap

Notes to the Financial Statements for the year ended 30 September 2022 (continued)

7. Analysis of support costs

Allocation of costs	Basis of allocation	General support £	Governance £	Total 2022 £
Administrative expenses	Time	48,918	5,540	54,458
Management expenses	Time	103,361	-	103,361
Establishment expenses	Floor area	117,109	-	117,109
		269,388	5,540	274,928

Apportionment of costs	Raising funds £	Charitable activities £	Total 2022 £
Support costs	16,310	258,618	274,928
	16,310	258,618	274,928

Analysis of support costs - 2021

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

Support costs include, categorised as management expenses, bank loan interest of £10,096 (2021: £8,888).

Leeds Mencap

Notes to the Financial Statements for the year ended 30 September 2022 (continued)

8. Net (expenditure) for the year

This is stated after charging:	2022	2021
	£	£
Auditors' remuneration:		
Audit services	4,150	4,460
Depreciation of tangible fixed assets	38,776	39,143

9. Employees and trustees

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

	2022	2021
	Number	Number
Fundraising	2	3
Charitable activities	56	55
Governance	3	3
	61	61

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

	2022	2021
	Number	Number
	FTE	FTE
Fundraising	2	2
Charitable activities	39	37
Governance	2	2
	43	41

Leeds Mencap

Notes to the Financial Statements for the year ended 30 September 2022 (continued)

Staff costs during the year were as follows:

	2022 £	2021 £
Wages and salaries	697,946	681,886
Employer's NI	38,951	39,625
Pension costs	11,734	11,852
Redundancy payments	-	18,603
	748,631	751,966

No employee earned £60,000 or more per annum during the year (2021: no employee).

None of the trustees received remuneration or benefits for their services during the year (2021: no trustee). Expenses of £143 were reimbursed to two trustees (2021: nil).

The key management personnel of Leeds Mencap are the Trustees, the Chief Executive, the Finance Manager and the Family Services Manager. The total employee benefits of the key management personnel of the charity for the year were £109,711 (2021: £115,809).

Leeds Mencap

Notes to the Financial Statements for the year ended 30 September 2022 (continued)

10. Tangible fixed assets

	Freehold land and buildings £	Plant and Equipment £	Office equipment £	Total £
Cost or valuation				
At 1 October 2021	1,920,000	49,446	47,936	2,017,382
Additions	-	-	5,542	5,542
Disposals	-	-	-	-
Revaluations	-	-	-	-
At 30 September 2022	1,920,000	49,446	53,478	2,022,924
Depreciation and impairments				
At 1 October 2021	97,800	32,109	35,421	165,330
Disposals	-	-	-	-
Depreciation	32,600	3,467	2,709	38,776
Impairment	-	-	-	-
At 30 September 2022	130,400	35,576	38,130	204,106
Net book values				
At 30 September 2021	1,822,200	17,337	12,515	1,852,052
At 30 September 2022	1,789,600	13,870	15,348	1,818,818

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 £2,235,390.

Leeds Mencap

Notes to the Financial Statements for the year ended 30 September 2022 (continued)

11. Debtors

	2022 £	2021 £
Trade debtors	23,317	15,319
Prepayments and accrued income	11,991	8,098
Other debtors	-	-
	35,308	23,417

12. Creditors: amounts falling due within one year

	2022 £	2021 £
Bank loans	35,018	35,982
Trade creditors	11,420	15,068
Taxation and social security	11,047	15,864
Other creditors	3,673	3,293
Accruals	19,830	22,909
Deferred income (note 12A)	270	14,442
	81,258	107,558

12A. Deferred income

	2022 £	2021 £
At 1 October 2021	14,442	62,134
Amount released to income	(14,442)	(62,134)
Amount deferred in the period	270	14,442
At 30 September 2022	270	14,442

Leeds Mencap

Notes to the Financial Statements for the year ended 30 September 2022 (continued)

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

	2022 £	2021 £
Secured bank loan (falling due in less than 2 years)	36,216	36,929
Secured bank loan (falling due between 2 and 5 years)	220,635	254,136
	<u>256,851</u>	<u>291,065</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.

Leeds Mencap

Notes to the Financial Statements for the year ended 30 September 2022 (continued)

14. Movement in funds

	Balance at 1 October 2021 £	Income £	Expenditure £	Transfers £	Gains and losses £	Balance at 30 September 2022 £
Restricted funds:						
Hawthorn Fund						
LCF (Jimbo's fund)	10,513	-	(10,513)	-	-	-
Rotary Club of Leeds	-	16,380	(16,380)	-	-	-
Other	-	3,000	(3,000)	-	-	-
Family Support						
Comic Relief	(6,341)	71,221	(51,188)	-	-	13,692
Other	17,150	8,216	(24,495)	-	-	871
Childcare						
Morrisons Foundation	-	22,384	-	-	-	22,384
Other	-	44,032	(44,032)	-	-	-
Youth Activities						
Children in Need (Sibs)	10,153	9,986	(10,755)	-	-	9,384
Youth Clubs	-	2,375	(2,375)	-	-	-
Community Hub Project/Other						
Leeds City Council	22,500	-	(22,500)	-	-	-
Other	-	24,205	(24,205)	-	-	-
Total restricted funds at 30 September 2022	53,975	201,799	(209,443)	-	-	46,331
Unrestricted funds:						
Designated funds						
Vinery Centre - Property	1,531,135	-	(32,600)	34,214	-	1,532,749
Contingency reserve	250,000	-	-	(250,000)	-	-
	1,781,135	-	(32,600)	(215,786)	-	1,532,749
General funds	195,321	800,627	(788,516)	215,786	-	423,218
Total unrestricted funds at 30 September 2022	1,976,456	800,627	(821,116)	-	-	1,955,967
Total funds at 30 September 2022	2,030,431	1,002,426	(1,030,559)	-	-	2,002,298

Leeds Mencap

Notes to the Financial Statements for the year ended 30 September 2022 (continued)

Movement in funds - 2021

	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	-	142	-	-	1,531,135
Contingency reserve	250,000	-	-	-	-	250,000
	1,780,993	-	142	-	-	1,781,135
General funds	226,730	727,396	(758,805)	-	-	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

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Notes to the Financial Statements for the year ended 30 September 2022 (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 as a backstop reserve to support the organisation's journey to sustainability. It has been released in year, following a review of the Reserves Policy, and now forms part of the free reserves held by the charity.

Leeds Mencap

Notes to the Financial Statements for the year ended 30 September 2022 (continued)

15. Analysis of net assets by fund

As at 30 September 2022	Tangible fixed assets	Net current assets	Long term liabilities	Total
	£	£	£	£
Restricted funds:	-	46,331	-	46,331
Unrestricted funds:				
General	29,218	394,000	-	423,218
Designated	1,789,600	-	(256,851)	1,532,749
	1,818,818	440,331	(256,851)	2,002,298

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

16. Operating lease commitments

As at 30 September 2022 the charity had no annual commitments under non-cancellable operating leases:

	Office equipment	
	2022	2021
	£	£
Expiry date:		
Within one year	-	536
Between one and five years	-	-
	-	536

Leeds Mencap

Notes to the Financial Statements for the year ended 30 September 2022 (continued)

17. 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.

18. 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 9 to the financial statements. There are no other related party transactions to disclose in the financial statements.

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

	2022	2021
	£	£
Net movement in funds	(28,133)	22,708
Add back depreciation	38,776	39,143
(Profit) on the sale of fixed assets	-	-
(Increase)/Decrease in debtors	(11,891)	14,407
Increase/(Decrease) in creditors	(25,336)	(36,125)
	(26,584)	40,133

20. Analysis of cash and cash equivalents

	2022	2021
	£	£
Cash in hand	316,281	553,585
	316,281	553,585

Leeds Mencap

Notes to the Financial Statements for the year ended 30 September 2022 (continued)

21. Analysis of changes in net debt

	1 October 2021 £	Cashflows £	Other non- cash changes £	30 September 2022 £
Cash at bank and in hand	553,585	(237,304)	-	316,281
Bank loan falling due within 1 year	35,982	(35,178)	34,214	35,018
Secured bank loan (falling due in less than 5 years)	291,065	-	(34,214)	256,851
	880,632	(272,482)	-	608,150