

Carlisle Mencap Limited

(A company limited by guarantee)

**Annual Report and Financial
Statements**

30 September 2021

Company registration number: 05595628

Charity registration number: 1115348



Carlisle Mencap Limited

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Carlisle Mencap Limited
Reference and Administrative Details

Charity name	Carlisle Mencap Limited	
Charity registration number	1115348	
Company registration number	05595628	
Registered office	Unit J3 Duchess Avenue Kingmoor Park North CARLISLE CA6 4SN	
Trustees	C Bowditch, Chair G Ternent, Treasurer T Baty E Harkness, Vice Chair J Harland L Power (Resigned 22 November 2021) C Bowman C Thompson (Resigned 22 February 2022) S Bowditch A Fletcher (Resigned 19 October 2021) N Steel N Braiden I Roberts-Green (Resigned 22 February 2022) S McBean	
Secretaries	S Gregory (Resigned 30 June 2021) C Burn (Appointed 1 July 2021)	

Carlisle Mencap Limited
Reference and Administrative Details

Bankers

HSBC plc
PO Box 5
29 English Street
CARLISLE
CA3 8JW

CAF Bank Ltd
25 Kings Hill Avenue
Kings Hill
WEST MALLING
ME19 4JQ

Auditor

Dodd & Co Limited
FIFTEEN Rosehill
Montgomery Way
Rosehill Estate
CARLISLE
CA1 2RW

Carlisle Mencap Limited
Trustees' Report for the Year Ended 30 September 2021

Carlisle Mencap Limited – Trustees Report

The Trustees present their annual report together with the audited financial statements of Carlisle Mencap Limited for the period 1 October 2020 to 30 September 2021. The Annual report serves the purposes of both a Trustees' report and a directors' report under company law. The Trustees confirm that the Annual report and financial statements of the charitable company comply with the current statutory requirements, the requirements of the charitable company's governing document and the provisions of the Statement of Recommended Practice (SORP) applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS102) (effective 1 January 2019).

Since the company qualifies as small under section 382 of the Companies Act 2006, the Strategic report required of medium and large companies under the Companies Act 2006 (Strategic Report and Directors' Report Regulations 2013) has been omitted.

Introduction

2020/21 has been a very challenging year for the charity, like for all others involved in social care due to COVID-19. Some services were curtailed due to the pandemic infection control measures and others, like supported living, have been increased. The majority of the staff team have continued to work throughout responding admirably to the many issues that they have faced.

A new CEO took the reins of the business in July 2021.

Objectives and activities

a. Policies and objectives

The organisation's policy is to improve the lives of people with learning disabilities in Cumbria by providing life long, quality and person-centred support.

In setting objectives and planning for activities, the Trustees have given due consideration to general guidance published by the Charity Commission relating to public benefit, including the guidance 'Public benefit: running a charity (PB2)'.

b. Strategies for achieving objectives

Strategies for the charity include:

1. The continual improvement of our existing services and the further extension of those services to new clients and new areas.
2. Working in collaboration with other organisations and consortia to increase our services and reach across a wider part of the county.
3. Developing fundraising and income generation from non-statutory sources; a fundraiser is now in place to this end.
4. Implementation of a new staffing structure across the organisation to reduce expenditure.

c. Activities undertaken to achieve objectives

Notable achievements - although a lot of the year has been spent working on the staffing restructure, there have been a good number of notable achievements such as:

- California House - the service has continued to operate throughout the pandemic, though with fewer clients due to infection control. Those using the home were those deemed critically in need of care.
- The children's respite service remained open throughout the year supporting both regular and emergency clients
- There have been no inspection reports for any services due to the COVID-19 outbreak.
- A number of services including children's clubs, Sunday Active, the Independence Studio and holidays which had been closed in the previous year have re-opened during the year.
- Staff have continued to be enterprising in setting up numerous online activities to replace the face to face ones that could not take place.

Trustees' activities have been curtailed by COVID-19. However, the Trustees have continued to oversee the activities via online meetings.

Carlisle Mencap Limited
Trustees' Report for the Year Ended 30 September 2021

Achievements and performance

a. Review of activities

During 2020/21 the organisation has continued its core activities and developed some new services, these include:

California House

Residential respite care for adults with learning disabilities. The house has five guest bedrooms, two are fully accessible for those with profound physical disabilities. The house is open 365 days a year. This service is funded on a block purchase system.

Community Support Adults

We provide services for adults in the community. Services provided can be very varied - from helping someone to go shopping, supporting people to do leisure activities, to spending entire days with clients supporting all of their daily activities.

Supported Living

We supply 24 hour support in the community for nine clients in their own homes.

Children's Services including:

Grace Little Centre

The centre continued to provide overnight support for children during the first three quarters of the year but this service closed in July due to staffing constraints; the centre continued to be used for a variety of other services including Independence Studio, Children's Outreach activities and training.

Residential Respite

Hart Street, Ulverston and Huntley Avenue, Penrith, two very well established respite homes, were welcomed to Carlisle Mencap in 2017. The homes run full time with around 100 children accessing them.

Children's Community Support

We support young people in the community whilst their parents take a break. We either take care of the children at home or take them out in to the community to do an activity. This has been reduced due to the pandemic.

Activators Club and Holiday Play Schemes

We are commissioned by NHS to provide short term non-residential care for disabled children. These services were particularly curtailed during the pandemic. However, we continued with activities using video platforms.

Cumbria Autism Family Support Project

Four part-time Autism Advisors support families with children on the autistic spectrum. The workers advise, educate and signpost and run collaborative workshops. This service covers the whole of Cumbria. This has continued to operate throughout the pandemic.

Sports Development Service

A service designed to encourage members to keep fit. This operated online during the pandemic. We received funds from Active Cumbria and Sports England. This enabled the development worker to make 15 accessible videos.

Holidays

We provide two four-day holidays a year for up to 40 adults in total. The holidaymakers are supported by volunteers. There is a part-time paid manager. This service has been provided for over 30 years.

Doves Café

This was closed during the pandemic.

The Independence Studio

This is a social enterprise based on film making and art which operates from the Grace Little Centre, three days a week. This continued to operate during the pandemic.

Carlisle Mencap Limited
Trustees' Report for the Year Ended 30 September 2021

Family Advisor Service

We have a family advisor service to provide information and advice to service users and their families.

b. Fundraising activities and income generation

The charity does not use any outside fundraisers. Main fundraising activities, apart from the shop, are grant applications undertaken by the CEO. We also have a fundraising and events officer on the payroll whose responsibility is to organise fundraising events and work with the local business community.

c. Investment policy and performance

The organisation adopts a cautious approach to investment and funds are held in savings accounts which are deemed to be low risk.

Financial Review

a. Going concern

Due to the undertaking of a £1.588m Cumbria Local Government Pension Scheme liability in 2017, the charity has been running an overall deficit since inheriting this liability that was transferred, along with TUPE staff, as part of the two Cumbria County Council contracts that were taken on in 2017. The overall deficit decreased to £1,102,115 in 2021, from £1,218,478 in 2020.

The Trustees have reviewed going concern in light of this and, as the liability will transfer back out of the charity with the TUPE staff when the contract with Cumbria County council ends in January 2022, the charity would be back to an overall surplus. Cumbria County Council are also providing additional grant funding to contribute towards the additional GPS costs associated with the new contracts.

After making appropriate enquiries, the Trustees have a reasonable expectation that the company has adequate resources to continue in operational existence for the foreseeable future. For this reason they continue to adopt the going concern basis in preparing the financial statements.

b. Reserves policy

The policy of the charity is to maintain enough reserves to continue operations for three months. Three months running costs are £450,000, which includes essential staffing to maintain services, housekeeping, rentals, insurances and registration costs. Reserves are monitored by the Trustees bi-monthly.

The Trustees are happy with the current reserves position after excluding the pension liability, which as below is £1,037,989.

c. Principal funding

The financial constraints indicated from national and local government and COVID-19 make it difficult to plan services ahead. However, we have been pleased to generate a sound income for the year. Trustees chose to use funds from services to fund additional charitable activities. Cumbria County Council contracts are still the major funding source and because of uncertainty and expected constraints on local authority funding we continue to look at diversification of our income from other sources, including direct fundraising and a variety of grants. We have employed a fundraiser to support income generation.

d. Results for the year

The results for the year show an excess of expenditure over income of £158,533. Overall funds carried forward amount to a deficit of £1,067,011 being restricted funds surplus of £93,307 and deficit on unrestricted funds of £1,160,318.

The deficit on unrestricted funds is as a result of the inclusion of the Government Pension Scheme liability of £1.588m at the point of undertaking two new Cumbria County Council contracts in 2017 where staff were transferred via the TUPE regulations to the charity, with the charity taking the responsibilities and benefits of these staff.

At the year end date the actuarial valuation reported the liability to the charity, who are now a participating employer in the scheme, a deficit of £2.105m. Without this liability, the total funds would have amounted to £1,037,989. When the contract ceased on 31 January 2022, all staff transferred along with any liabilities at that date. Free reserves, once the pension deficit of £2.105m has been transferred back to Cumbria County Council are £77,860.

Carlisle Mencap Limited
Trustees' Report for the Year Ended 30 September 2021

Structure, governance and management

a. Constitution

Carlisle Mencap Limited is registered as a charitable company limited by guarantee and was set up by Memorandum of Association. The company is constituted under a Memorandum of Association and is a registered charity number 1115348. The company was incorporated on and commenced trading on that date.

The objectives of the society are:

- the relief of people with a learning disability in particular by the provision of help and support for them and their families, dependents and carers, and to prevent learning disabilities for the public benefit and to advance religion amongst persons with learning disability;
- to provide and assist in the provision of facilities for the recreation or other leisure time occupation for people who have the need thereof by reason of learning disability with the object of improving their conditions of life.

There have been no changes in the objectives since the last annual report.

b. Methods of appointment or election of Trustees

The management of the company is the responsibility of the Trustees who are elected and co-opted under the terms of the Memorandum of Association.

c. Organisational structure and decision-making policies

The Trustees meet bi-monthly to discuss policy and strategy. There is an additional finance sub committee which meets as and when required to discuss some matters in further depth. The CEO is line managed by the Trustees. The CEO has the day to day running of the organisation - she is supported by two operations managers, a business manager and a further 7 service managers who manage the staff teams.

d. Policies adopted for the induction and training of Trustees

The Chief Officer organises the provision of an induction and training for trustees. All take part in child protection training.

There is an annual away day where they get together to explore and understand their role.

e. Financial risk management

The Trustees have assessed the major risks to which the company is exposed, in particular those related to the operations and finances of the company, and are satisfied that systems and procedures are in place to mitigate exposure to the major risks.

f. Future developments

The contracts with Cumbria County Council for Children's respite ends in January 2022 and this will significantly reduce the size of the organisation and in particular the children's service activities. This improves the overall financial position of the organisation, both by removing the pensions liability from the balance sheet and because the contracts were loss-making, but also necessitates a review of the structure of the organisation, the services we are delivering and aim to deliver, to ensure the two are aligned.

Small company provisions

This report has been prepared in accordance with the small companies regime under the Companies Act 2006.

Approved by the Board on 14 June 2022 and signed on its behalf by:



C Bowditch
Trustee

Carlisle Mencap Limited

Trustees' Responsibilities in relation to the Financial Statements

The trustees (who are also directors of Carlisle Mencap Limited for the purposes of company law) are responsible for preparing the Trustees' Annual Report and the financial statements in accordance with applicable law and the Financial Reporting Standard 102 - 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'.

Company law requires the trustees to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the charitable company and of the incoming resources and application of resources, including income and expenditure, of the charitable company for that period. In preparing these financial statements, the trustees are required to:

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charities SORP;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable UK accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue in business.

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

**Independent Auditors' Report to the Trustees of
Carlisle Mencap Limited**

Opinion

We have audited the financial statements of Carlisle Mencap Limited for the year ended 30 September 2021 which comprise Statement of Financial Activities, Balance Sheet, Cash Flow Statement and the related notes, 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 at 30 September 2021 and 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.

Material uncertainty related to going concern

We draw attention to note 1, Going Concern in the financial statements, which summarises the charity's unrestricted reserves position because of continued deficits and a possible claw back of Short Breaks contract income. These events and conditions indicate that a material uncertainty exists that may cast significant doubt on the charitable company's ability to continue as a going concern. Our opinion is not modified in respect of these matters.

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.

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 the audit:

•the information given in the trustees' report (incorporating the strategic report and the directors' report) for the financial year for which the financial statements are prepared is consistent with the financial statements; and

•the trustees' report (incorporating the strategic report and the directors' report) have been prepared in accordance with applicable legal requirements.

**Independent Auditors' Report to the Trustees of
Carlisle Mencap Limited**

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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 Trustees' Annual 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:

- certain disclosures of trustees' remuneration specified by law are not made; or
- 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
- we have not obtained all the information and explanations necessary for the purposes of our audit.

Responsibilities of the trustees

As explained more fully in the Trustees' Responsibilities Statement set out on page 7, 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 controls as they 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 Charity or to cease operations, or have no realistic alternative but to do so.

Independent Auditors' Report to the Trustees of Carlisle Mencap Limited

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Our 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:

In identifying and assessing risks of material misstatement in respect of irregularities, including fraud and non-compliance with laws and regulations, we considered the following:

- the nature of the industry and sector, control environment and charitable company's performance
 - results of our enquiries of management about their own identification and assessment of the risks of irregularities;
 - any matters we identified having obtained and reviewed the charitable company's documentation of their policies and procedures relating to:
- identifying, evaluating and complying with laws and regulations and whether they were aware of any instances of non-compliance;
 - detecting and responding to the risks of fraud and whether they have knowledge of any actual, suspected or alleged fraud;
 - the internal controls established to mitigate risks of fraud or non-compliance with laws and regulations;
 - the matters discussed among the audit engagement team and involving relevant internal specialists, including pensions regarding how and where fraud might occur in the financial statements and any potential indicators of fraud.

As a result of these procedures, we considered the opportunities and incentives that may exist within the organisation for fraud and identified the greatest potential for fraud to be in relation to revenue recognition and management override which, in common with all audits under ISAs (UK), we are required to perform specific procedures to respond to this risk.

We also obtained an understanding of the legal and regulatory framework that the charitable company operates in, focusing on provisions of those laws and regulations that had a direct effect on the determination of material amounts and disclosures in the financial statements. The key laws and regulations we considered in this context included the UK Companies Act, Charities Act, pensions legislation, tax legislation and OFSTED regulations.

As a result of performing the above, in response to the risks identified, we did not identify any key audit matters related to the potential risk of fraud or non-compliance with laws and regulations.

In addition to the above, our procedures to respond to risks identified included the following:

- reviewing the financial statement disclosures and testing to supporting documentation to assess compliance with provisions of relevant laws and regulations described as having a direct effect on the financial statements;
- enquiring of management concerning actual and potential litigation and claims;
- performing analytical procedures to identify any unusual or unexpected relationships that may indicate risks of material misstatement due to fraud;
- reading minutes of meetings of those charged with governance, reviewing correspondence with HMRC; and
- in addressing the risk of fraud through management override of controls, testing the appropriateness of journal entries and other adjustments; assessing whether the judgements made in making accounting estimates are indicative of a potential bias; and evaluating the business rationale of any significant transactions that are unusual or outside the normal course of business.

We also communicated relevant identified laws and regulations and potential fraud risks to all engagement team members and remained alert to any indications of fraud or non-compliance with laws and regulations throughout the audit.

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.

**Independent Auditors' Report to the Trustees of
Carlisle Mencap Limited**

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Use of our report

This report is made solely to the charity's trustees 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 charity's trustees 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 charity and its trustees as a body, for our audit work, for this report, or for the opinions we have formed.

Dodd & Co Ltd
Dodd & Co Limited
Chartered Accountants & Registered Auditors

14 June 2022

FIFTEEN Rosehill
Montgomery Way
Rosehill Estate
CARLISLE
CA1 2RW

Dodd & Co Limited is eligible to act as an auditor in terms of section 1212 of the Companies Act 2006

Carlisle Mencap Limited

Statement of Financial Activities (including Income and Expenditure Account and Statement of Total Recognised Gains and Losses) for the Year Ended 30 September 2021

		Unrestricted Funds	Restricted Funds	Total Funds 2021	Total Funds 2020
	Note	£	£	£	£
Income and endowments from:					
Donations and legacies	3	9,990	217,701	227,691	136,347
Other trading activities	4	-	-	-	6,024
Investments	5	-	-	-	211
Charitable activities	6	2,584,049	-	2,584,049	2,766,992
Other income	7	69,228	-	69,228	86,620
Total income and endowments		<u>2,663,267</u>	<u>217,701</u>	<u>2,880,968</u>	<u>2,996,194</u>
Expenditure on:					
Raising funds		-	-	-	6,373
Charitable activities		2,891,200	148,301	3,039,501	3,051,144
Total expenditure		<u>2,891,200</u>	<u>148,301</u>	<u>3,039,501</u>	<u>3,057,517</u>
Net expenditure before transfers		(227,933)	69,400	(158,533)	(61,323)
Transfers					
Transfers between funds		<u>6,269</u>	<u>(6,269)</u>	<u>-</u>	<u>-</u>
Net expenditure before other recognised gains and losses		(221,664)	63,131	(158,533)	(61,323)
Other recognised gains/losses					
Actuarial gains on defined benefit pension schemes		<u>310,000</u>	<u>-</u>	<u>310,000</u>	<u>431,000</u>
Net movements in funds		88,336	63,131	151,467	369,677
Reconciliation of funds					
Total funds brought forward		<u>(1,248,654)</u>	<u>30,176</u>	<u>(1,218,478)</u>	<u>(1,588,155)</u>
Total funds carried forward		<u>(1,160,318)</u>	<u>93,307</u>	<u>(1,067,011)</u>	<u>(1,218,478)</u>

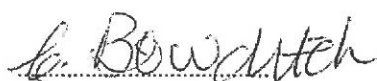
The notes on pages 15 to 34 form an integral part of these financial statements.

Carlisle Mencap Limited
Company registration number: 05595628
Balance Sheet as at 30 September 2021

		2021	2020 <i>as restated</i>
	Note	£	£
Fixed assets			
Tangible assets	14	866,822	894,685
Current assets			
Debtors	15	160,088	258,576
Cash at bank and in hand		310,296	247,363
		<u>470,384</u>	<u>505,939</u>
Creditors: Amounts falling due within one year	16	<u>(284,217)</u>	<u>(307,102)</u>
Net current assets		186,167	198,837
Total assets less current liabilities		1,052,989	1,093,522
Creditors: Amounts falling due after more than one year	17	<u>(15,000)</u>	<u>(27,000)</u>
Net assets excluding pension liabilities		1,037,989	1,066,522
Pension liabilities	21	<u>(2,105,000)</u>	<u>(2,285,000)</u>
Net liabilities including pension liabilities		<u>(1,067,011)</u>	<u>(1,218,478)</u>
The funds of the charity:			
Restricted funds		93,307	30,176
Unrestricted funds			
Unrestricted income funds		<u>(1,160,318)</u>	<u>(1,248,654)</u>
Total charity funds		<u>(1,067,011)</u>	<u>(1,218,478)</u>

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

Approved by the Board on 14 June 2022 and signed on its behalf by:



C Bowditch
Trustee



G Ternent
Trustee

The notes on pages 15 to 34 form an integral part of these financial statements.

Carlisle Mencap Limited
Cash Flow Statement for the Year Ended 30 September 2021

	2021 £	2020 £
Net cash provided by (used by) operating activities		
Net expenditure for the period	(158,533)	(61,323)
Depreciation charges	32,570	37,523
Losses on investments	310,000	431,000
Loss on the sale of fixed assets	8,002	11,488
Decrease in debtors	98,488	27,908
Decrease in creditors	(22,885)	(6,516)
Decrease in provisions	(180,000)	(273,000)
	<u>87,642</u>	<u>167,080</u>
Net cash provided by (used in) investing activities		
Purchase of property, plant and equipment	(12,709)	(10,230)
	<u>(12,709)</u>	<u>(10,230)</u>
Repayment of borrowings	(12,000)	(10,000)
Increase in cash	<u><u>62,933</u></u>	<u><u>146,850</u></u>

The notes on pages 15 to 34 form an integral part of these financial statements.

Carlisle Mencap Limited

Notes to the Financial Statements for the Year Ended 30 September 2021

1 Accounting policies

Summary of significant accounting policies and key accounting estimates

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

Statement of compliance

The financial statements have been prepared in accordance with Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (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.

Basis of preparation

The charitable company meets the definition of a public benefit entity under FRS 102. Assets and liabilities are initially recognised at historical cost or transaction value unless otherwise stated in the relevant accounting policy notes.

Going concern

At the balance sheet date, the net liabilities of the charity were £1,067,011 (2020 - £1,218,478 in deficit). This is due to the charity inheriting a LGPS liability in 2017 of £1,588,000 when undertaking two new Cumbria County Council contracts where staff were transferred via TUPE regulations to the charity. The charity took on the responsibilities and benefits of these staff members.

At the year end date, the actuarial valuation reported the liability to the charity, who during the year were a participating employer in the scheme, a deficit of £2,105,000 (2020 - £2,285,000). Without this liability, the total unrestricted funds would have totalled £944,682 in surplus (2020 - £1,036,346 in surplus). Free reserves are £77,860 (2020 - £141,661) excluding the LGPS liability. The contract with Cumbria County Council ceased in January 2022, at which point all staff were transferred via TUPE back to the Council along with all responsibilities and benefits. Under the transfer, the LGPS liability also transferred back to Cumbria County Council.

During the year, the charity made a deficit of £221,664 (2020 - £88,441 deficit) before actuarial gains/losses on unrestricted activities. The COVID-19 pandemic continued to impact businesses and individuals within the UK however, the trustees consider the results to not be greatly impacted by the pandemic as most of their services were either continued or paused with temporary local Council support received in its place. Where possible, the charity has taken advantage of the Government's COVID support.

The trustees have considered both the operational and financial position of the charity for a period beyond 12 months from the date of signing these financial statements. Efforts are being made to reduce costs where possible, but they believe that, after the cessation of the Short Breaks contracts, deficits should reduce over the coming period with the aim of returning to break even in the near future. In considering the future of the charity, the trustees have considered the ongoing discussions with Cumbria County Council regarding the possible claw back of Short Breaks income totalling £178,000. They are working with the Council and expect a conclusion to be reached to ensure the charity has sufficient resources to move forwards. See contingent liabilities note 19 for more details.

The trustees believe there to be sufficient resources to continue for the coming 12-month period on the basis a resolution is found with Cumbria County Council and are committed to ensuring the charity returns to a surplus to replenish free reserves and enable it to provide a safe environment for all their service users and families. On this basis, they consider the going concern basis appropriate.

Fund accounting policy

Unrestricted income funds are general funds that are available for use at the trustees' discretion in furtherance of the objectives of the charity.

Restricted income funds are those donated for use in a particular area or for specific purposes, the use of which is restricted to that area or purpose.

Carlisle Mencap Limited

Notes to the Financial Statements for the Year Ended 30 September 2021

..... continued

Further details of each fund are disclosed in note 23.

Income and endowments

Donations are recognised when the Charity has been notified in writing of both the amount and settlement date. In the event that a donation is subject to conditions that require a level of performance by the Charity before the Charity is entitled to the funds, the income is deferred and not recognised until either those conditions are fully met, or the fulfilment of those conditions is wholly within the control of the Charity and it is probable that these conditions will be fulfilled in the reporting period.

Legacy gifts are recognised on a case by case basis following the grant of probate when the administrator/executor for the estate has communicated in writing both the amount and settlement date. In the event that the gift is in the form of an asset other than cash or a financial asset traded on a recognised stock exchange, recognition is subject to the value of the gift being reliably measured with a degree of reasonable accuracy and the title to the asset having been transferred to the Charity.

Income from Government and other grants, whether 'capital' grants or 'revenue' grants, is recognised when the charity has entitlement to the funds, any performance conditions attached to the grants have been met, it is probable that the income will be received and the amount can be measured reliably and is not deferred.

Deferred income represents amounts received for future periods and is released to incoming resources in the period for which, it has been received. Such income is only deferred when:

- The donor specifies that the grant or donation must only be used in future accounting periods; or
- The donor has imposed conditions which must be met before the charity has unconditional entitlement.

Investment income is recognised on a receivable basis.

Income from charitable activities includes income recognised as earned (as the related goods or services are provided) under contract.

Short Breaks income

Income relating to the Short Breaks contract with Cumbria County Council is recognised as unrestricted contract income under charitable activities, with income recognised when entitlement passes to the charity. This is because Short Breaks is a statutory service which Carlisle Mencap provides on the Council's behalf. Whilst the agreement with the Council was worded as a grant, until the final year of the agreement when the agreement was worded as a contract, the substance of the arrangement is that of a contract. In the prior year, the short breaks income was treated as a restricted grant and this has been restated to agree to the current year's treatment.

Expenditure

Liabilities are recognised as soon as there is a legal or constructive obligation committing the charity to the expenditure. All expenditure is accounted for on an accruals basis and has been classified under headings that aggregate all costs related to the category.

Costs of generating funds are the costs of trading for fundraising purposes.

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 allocated directly to such activities and those costs of an indirect nature necessary to support them.

Support costs

Support costs include central functions and have been allocated to activity cost categories on a basis consistent with the use of resources, for example, allocating property costs by floor areas, or per capita, staff costs by the time spent and other costs by their usage.

Carlisle Mencap Limited

Notes to the Financial Statements for the Year Ended 30 September 2021

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Taxation

The Charity is considered to pass the tests set out in Paragraph 1 Schedule 6 of the Finance Act 2010 and therefore it meets the definition of a charitable company for UK corporation tax purposes. Accordingly, the Charity is potentially exempt from taxation in respect of income or capital gains received within categories covered by Chapter 3 Part 11 of the Corporation Tax Act 2010 or Section 256 of the Taxation of Chargeable Gains Act 1992, to the extent that such income or gains are applied exclusively to charitable purposes.

Fixed assets

Individual fixed assets costing £500 or more are initially recorded at cost.

Depreciation

Depreciation is provided on tangible fixed assets so as to write off the cost or valuation, less any estimated residual value, over their expected useful economic life as follows:

Freehold property	2% straight line basis
Long leasehold property	2% straight line basis
Motor vehicles	25% reducing balance basis
Fixtures and fittings	25% reducing balance basis

Trade Debtors

Trade debtors are amounts due from customers for merchandise sold or services performed in the ordinary course of business. Trade debtors are recognised initially at the transaction price. They are subsequently measured at amortised cost using the effective interest method, less provision for impairment. A provision for the impairment of trade debtors is established when there is objective evidence that the Charity will not be able to collect all amounts due according to the original terms of the receivables.

Cash and Cash Equivalents

Cash and cash equivalents comprise cash on hand and call deposits, and other short-term highly liquid investments that are readily convertible to a known amount of cash and are subject to an insignificant risk of change in value.

Liabilities

Trade creditors are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Accounts payable are classified as current liabilities if the Charity does not have an unconditional right, at the end of the reporting period, to defer settlement of the creditor for at least twelve months after the reporting date. If there is an unconditional right to defer settlement for at least twelve months after the reporting date, they are presented as non-current liabilities.

Trade creditors are recognised initially at the transaction price and subsequently measured at amortised cost using the effective interest method.

Operating leases

Leases in which substantially all the risks and rewards of ownership are retained by the lessor are classified as operating leases. Rentals payable under operating leases are charged in the Statement of Financial Activities on a straight line basis over the lease term.

Pensions

The charity operates a defined contribution pension scheme. Contributions are charged in the statement of financial activities as they become payable in accordance with the rules of the scheme.

The charity operates a defined benefit pension scheme and the pension charge is based on a full actuarial valuation dated January 2022.

Carlisle Mencap Limited

Notes to the Financial Statements for the Year Ended 30 September 2021

..... continued

Financial instruments

Financial assets and financial liabilities are recognised when the charity becomes a party to the contractual provisions of the instrument. Financial liabilities and equity instruments are classified according to the substance of the contractual arrangements entered into. An equity instrument is any contract that evidences a residual interest in the assets of the Charity after deducting all of its liabilities.

All financial assets and liabilities are initially measured at transaction price (including transaction costs), except for those financial assets classified as at fair value through profit or loss, which are initially measured at fair value (which is normally the transaction price excluding transaction costs), unless the arrangement constitutes a financing transaction. If an arrangement constitutes a financing transaction, the financial asset or financial liability is measured at the present value of the future payments discounted at a market rate of interest for a similar debt instrument.

Financial assets and liabilities are only offset in the statement of financial position when, and only when there exists a legally enforceable right to set off the recognised amounts and the Charity intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

Financial assets are derecognised when and only when a) the contractual rights to the cash flows from the financial asset expire or are settled, b) the Charity transfers to another party substantially all of the risks and rewards of ownership of the financial asset, or c) the Charity, despite having retained some, but not all, significant risks and rewards of ownership, has transferred control of the asset to another party.

Financial liabilities are derecognised only when the obligation specified in the contract is discharged, cancelled or expires.

Prior period restatement

Adjustments were made to the comparative figures resulting in the reduction of restricted reserves by £50,000 and the increase of unrestricted reserves brought forward of the same value. The adjustment was required as a result of the Trustees identifying a fund for the Big Lottery Healing Together grant being unrestricted in nature, rather than being a restricted fund.

An adjustment was made to the comparative period in relation to the allocation of Short Breaks contracts income and expenditure. As contract for services, the income and corresponding expenditure should have been included as unrestricted in the prior period and this has been restated to reflect this. There is no impact to the overall SOFA figures, but prior opening unrestricted reserves increased by £9,717 and closing unrestricted reserves by £9,723. Restricted reserves were reduced by the same amount.

One other adjustment has been made to the comparative figures by reclassifying £48,133 of credit balances on the debtors ledger to trade creditors. This has only impacted the presentation of the balance sheet and not had an impact on reserves.

2 Critical accounting estimates and areas of judgement

Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

Critical areas of judgement:

Contingent liability - the trustees have judged the likelihood of a clawback of Cumbria County Council contract income to not be probable at the date of signing the financial statements. As such, the trustees have not recognised a provision within the financial statements. If a claw back was to occur, the trustees estimate the maximum liability would be £178,000. These judgements have been made based on the correspondence to date with the Council. More details can be found in note 19 to the financial statements.

Defined benefit pension liability - the present value of the defined benefit liability depends on a number of factors that are determined on an actuarial basis using a variety of assumptions. The assumptions used in determining the net cost (income) for pensions include the discount rate. Any changes in these assumptions, which are disclosed in note 21, will impact the carrying amount of the pension liability. Results from the actuarial valuation has been used by the actuary in valuing the pension liability at the balance sheet date.

Carlisle Mencap Limited
Notes to the Financial Statements for the Year Ended 30 September 2021

.....continued

3 Donations and legacies

	Unrestricted Funds £	Restricted Funds £	Total Funds 2021 £	Total Funds 2020 £
Donations and legacies				
Donations	9,990	-	9,990	16,170
Grants				
Grants	-	217,701	217,701	120,177
	<u>9,990</u>	<u>217,701</u>	<u>227,691</u>	<u>136,347</u>

Of the donations and legacies income in 2020, £57,007 related to unrestricted funds and £69,340 related to restricted funds after a restatement of opening balances.

4 Other trading activities

	Unrestricted Funds £	Restricted Funds £	Total Funds 2021 £	Total Funds 2020 £
Shop income	-	-	-	6,024

Of the other trading activities income in 2020, £6,024 related to unrestricted funds.

5 Investments

	Unrestricted Funds £	Restricted Funds £	Total Funds 2021 £	Total Funds 2020 £
Interest on cash deposits	-	-	-	211

Of the investments income in 2020, £211 related to unrestricted funds.

6 Charitable activities

	Unrestricted Funds £	Restricted Funds £	Total Funds 2021 £	Total Funds 2020 £
Income from charitable activities	2,584,049	-	2,584,049	2,766,992

Of the income from charitable activities in 2020, all related to unrestricted funds.

Carlisle Mencap Limited
Notes to the Financial Statements for the Year Ended 30 September 2021

..... continued

7 Other Income

	Unrestricted Funds £	Restricted Funds £	Total Funds 2021 £	Total Funds 2020 £
Job Retention Scheme Income	69,228	-	69,228	86,620

Of the other income in 2020, £86,620 related to unrestricted funds.

Carlisle Mencap Limited

Notes to the Financial Statements for the Year Ended 30 September 2021

..... continued

8 Expenditure

	Charitable activities	Total 2021	Total 2020
	£	£	£
Direct costs			
Other fundraising costs	-	-	1,210
Purchases	-	-	819
(Profit)/loss on disposal of tangible fixed assets	719	719	-
Employment costs	2,297,946	2,297,946	2,260,659
Insurance	21,099	21,099	14,259
Premises expenses	26,800	26,800	11,201
Maintenance and cleaning	42,520	42,520	25,685
Telephone	19,136	19,136	11,720
IT costs	491	491	48
Printing, postage and stationery	3,088	3,088	3,422
Training	13,249	13,249	6,807
Other expenses	21,093	21,093	11,239
Administration expenses	-	-	16,073
Project costs	55,949	55,949	96,264
Motor and travel	22,189	22,189	24,834
Legal and professional fees	11,872	11,872	14,466
Pension costs	39,000	39,000	46,000
Depreciation	28,117	28,117	28,531
	<u>2,603,268</u>	<u>2,603,268</u>	<u>2,573,237</u>
Support costs			
Wages and salaries	279,630	279,630	312,445
Staff training	6,284	6,284	10,297
Insurance	7,404	7,404	7,452
Premises expenses	29,150	29,150	35,486
Maintenance and cleaning	2,086	2,086	8,160
Telephone	6,354	6,354	12,809
Administration expenses	-	-	2,160
IT costs	17,155	17,155	17,522
Printing, postage and stationery	10,128	10,128	8,505
Other expenses	2,621	2,621	16,905
Motor and travel	7,758	7,758	9,282
Accountancy fees	4,560	4,560	1,850
The audit of the charity's annual accounts	9,450	9,450	9,150
Legal and professional fees	38,017	38,017	7,776
Bad debts written off	-	-	751
Interest payable	3,900	3,900	3,250
Depreciation	4,453	4,453	8,992
(Profit)/loss on sale of tangible fixed assets held for charity's own use	7,283	7,283	11,488
	<u>436,233</u>	<u>436,233</u>	<u>484,280</u>
	<u>3,039,501</u>	<u>3,039,501</u>	<u>3,057,517</u>

Of the expenditure in 2020, £1,621,807 related to unrestricted funds and £1,435,710 related to restricted funds.

Carlisle Mencap Limited
Notes to the Financial Statements for the Year Ended 30 September 2021

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9 Government grants

Income from government grants comprises performance related grants made by local authorities totalling £1,256,196. See notes 2 and 21 for more details.

The charity was also in receipt of COVID-19 support income as detailed in note 6.

10 Governance costs

	2021	2020
	£	£
Accountancy fees	4,560	1,850
Auditors remuneration	9,450	9,150
Legal and professional fees	28,193	7,776
	<u>42,203</u>	<u>18,776</u>

11 Trustees' remuneration and expenses

No trustees received any remuneration or expenses during this year.

12 Net expenditure

Net expenditure is stated after charging:

	2021		2020
£	£	£	£
Auditors' remuneration - audit services	9,450		9,150
Loss on disposal of tangible fixed assets	8,002		11,488
Depreciation of tangible fixed assets	<u>32,570</u>		<u>37,523</u>

Carlisle Mencap Limited

Notes to the Financial Statements for the Year Ended 30 September 2021

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13 Employees' remuneration

The monthly average number of persons (including senior management) employed by the charity during the year, analysed by category, was as follows:

	2021 No.	2020 No.
Management and administration	11	11
Shop	-	2
Activities in furtherance of charitable objectives	122	132
	<u>133</u>	<u>145</u>

The aggregate payroll costs of these persons were as follows:

	2021 £	2020 £
Wages and salaries	2,200,300	2,169,602
Social security	157,766	152,026
Other pension costs	219,510	251,476
	<u>2,577,576</u>	<u>2,573,104</u>

No employee received emoluments of more than £60,000 during the year.

The key management personnel comprise the Trustees and the senior managers. The total employee benefits of the key management personnel of the Charity were £189,132 (2020 - £166,025). The 2021 figure has increased due to additional management being included in the calculation. There has been no significant growth in individual management salaries during the year.

Carlisle Mencap Limited
Notes to the Financial Statements for the Year Ended 30 September 2021

..... continued

14 Tangible fixed assets

	Freehold property £	Long leasehold property £	Motor vehicles £	Fixtures and fittings £	Total £
Cost					
As at 1 October 2020	377,311	644,185	56,695	108,278	1,186,469
Additions	-	-	-	12,709	12,709
Disposals	-	-	-	(29,242)	(29,242)
As at 30 September 2021	<u>377,311</u>	<u>644,185</u>	<u>56,695</u>	<u>91,745</u>	<u>1,169,936</u>
Depreciation					
As at 1 October 2020	61,880	107,423	50,892	71,589	291,784
Eliminated on disposals	-	-	-	(21,240)	(21,240)
Charge for the year	7,546	12,884	1,451	10,689	32,570
As at 30 September 2021	<u>69,426</u>	<u>120,307</u>	<u>52,343</u>	<u>61,038</u>	<u>303,114</u>
Net book value					
As at 30 September 2021	<u>307,885</u>	<u>523,878</u>	<u>4,352</u>	<u>30,707</u>	<u>866,822</u>
As at 30 September 2020	<u>315,431</u>	<u>536,762</u>	<u>5,803</u>	<u>36,689</u>	<u>894,685</u>

15 Debtors

	2021 £	2020 as restated £
Trade debtors	50,086	102,978
Other debtors	-	2,745
Prepayments and accrued income	110,002	152,853
	<u>160,088</u>	<u>258,576</u>

Carlisle Mencap Limited

Notes to the Financial Statements for the Year Ended 30 September 2021

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16 Creditors: Amounts falling due within one year

	2021	2020 <i>as restated</i>
	£	£
Trade creditors	60,603	65,653
Taxation and social security	36,040	21,143
Other creditors	22,467	27,291
Accruals and deferred income	165,107	193,015
	<u>284,217</u>	<u>307,102</u>

Creditors amounts falling due within one year includes deferred income:

	2021	2020
	£	£
As at 1 October 2020	114,505	117,638
Amount released to incoming resources	(114,505)	(117,638)
Amount deferred in the year	35,029	114,105
As at 30 September 2021	<u>35,029</u>	<u>114,105</u>

Within other creditors in creditors due within one year, there are other loans of £12,000 (2020 - £12,000). This is an unsecured loan from KeyFund with an interest rate of 6.5% over a five year period.

17 Creditors: Amounts falling due after more than one year

	2021	2020
	£	£
Other creditors	<u>15,000</u>	<u>27,000</u>

Within other creditors in creditors due after one year, there are other loans of £15,000 (2020 - £27,000). This is an unsecured loan from KeyFund with an interest rate of 6.5% over a five year period.

18 Members' liability

The charity is a private company limited by guarantee and consequently does not have share capital. Each of the members is liable to contribute an amount not exceeding £1 towards the assets of the charity in the event of liquidation.

19 Contingent liabilities

Beginning in the prior financial period, Cumbria County Council entered discussions with the charity to claw back approximately £178,000 of income paid under two Short Breaks contracts between the parties. The claw back originates from annual spend reports submitted by the charity as part of the contract for periods impacted by the pandemic, which resulted in reduced spending and a surplus generated on the contract. Carlisle Mencap has challenged both the level and the validity of the clawback. Discussions are still ongoing with a final decision yet to be communicated to the charity. In correspondence received by the charity, the Council stated that they "would not want to cause any unnecessary burden to Carlisle Mencap" and agreed to continue discussions around this matter, based on the significant financial impact it would have.

On this basis, it is not deemed to be a probable obligation and therefore no provision has been included in the financial statements.

Carlisle Mencap Limited
Notes to the Financial Statements for the Year Ended 30 September 2021

..... continued

20 Operating lease commitments

As at 30 September 2021 the charity had total future minimum lease payments under non-cancellable operating leases as follows:

	Operating lease	
	2021	2020
	£	£
Within one year	25,685	22,495
Within two and five years	60,267	72,437
	<u>85,952</u>	<u>94,932</u>

21 Pension scheme

Defined contribution pension scheme

The charity contributes towards the employees' personal pension schemes (defined contribution pension schemes). The pension cost charge for the period represents contributions payable by the charity to the scheme and amounted to £106,919 (2020 - £140,088).

Contributions totalling £5,381 (2020 - £10,978) were payable to the scheme at the end of the period and are included in creditors.

Defined benefit pension scheme

As from 1 February 2017, the charity also contributed into the Cumbria Local Government Pension Scheme, in a multi-employer defined benefit scheme. The assets of the scheme are held separately from those of the company in an independently administered fund. The employers contributions are affected by a surplus or deficit in the scheme. The pension cost charge represents contributions payable by the company to the fund and amounted to £103,000 (2020 - £115,000).

The Local Government Pension Scheme (LGPS) is a statutory scheme established by an Act of Parliament and governed by the Public Services Pensions Act 2013. The scheme is administered in accordance with applicable secondary legislation. Individual funds are managed by designated authorities at a local level.

Principal actuarial assumptions

Principal actuarial assumptions at the balance sheet date (expressed as weighted averages):

	2021	2020
Discount rate for scheme assets	2.00%	1.70%
Rate of increase in salaries	4.40%	3.80%
Rate increase for pensions in payment/inflation	3.00%	2.40%
Inflation assumptions (CPI)	2.90%	2.30%
	2021	2020
	Years	Years
Mortality rates (in years)		
Current UK pensioners retirement age - male	22.7	22.6
Current UK pensioners age - female	25.3	25.2
Future UK pensioners age - male	24.3	24.2
Future UK pensioners age - female	<u>27.2</u>	<u>27.1</u>

Carlisle Mencap Limited

Notes to the Financial Statements for the Year Ended 30 September 2021

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Sensitivity analysis

	2021	2020
	£	£
Deficit impact of:		
Discount rate +0.1%	(1,960,000)	(2,152,000)
CPI rate +0.1%	(2,252,000)	(2,421,000)
Pay growth +0.1%	(2,134,000)	(2,314,000)
Mortality rate - 1 year increase	(2,328,000)	(2,484,000)
Change in investment returns +1%	(2,050,000)	(2,240,000)
Change in investment returns -1%	(2,160,000)	(2,330,000)

Analysis of assets

The major categories of scheme assets are as follows:

	2021	2020
	£	£
Equity instruments	1,139,000	939,000
Government bonds	515,000	425,000
Property	234,000	193,000
Cash	47,000	39,000
Other	1,024,000	845,000

The actual return on scheme assets was £743,000 (2020 - £29,000 loss)

Amounts recognised in the Statement of Financial Activities

The total amount recognised in the Statement of Financial Activities is:

	2021	2020
	£	£
Current service costs	190,000	208,000
Past service costs	-	15,000
Interest income	(78,000)	(82,000)
Interest costs	117,000	128,000
Administrative expenses	4,000	4,000
	<u>233,000</u>	<u>273,000</u>

Movement in deficit

The movement in the deficit during the period was:

	2021	2020
	£	£
Deficit at the beginning of the year	(2,285,000)	(2,558,000)
Current service costs	(190,000)	(208,000)
Contributions paid	103,000	115,000
Interest costs	(117,000)	(128,000)
Interest income	78,000	82,000
Past service costs	-	(15,000)
Administrative expenses	(4,000)	(4,000)
Actuarial gains	310,000	431,000
Deficit at the end of the year	<u>(2,105,000)</u>	<u>(2,285,000)</u>

Carlisle Mencap Limited

Notes to the Financial Statements for the Year Ended 30 September 2021

..... continued

Scheme liabilities

Changes in the present value of the scheme liabilities are as follows:

	2021	2020
	£	£
As at start of year	6,874,000	7,228,000
Current service costs	190,000	208,000
Interest costs	117,000	128,000
Contributions by scheme participants	29,000	32,000
Actuarial losses/(gains)	355,000	(415,000)
Benefits paid	(60,000)	(322,000)
Past service costs	-	15,000
As at end of year	<u>7,505,000</u>	<u>6,874,000</u>
Present value of unfunded scheme liabilities	<u>7,505,000</u>	<u>6,874,000</u>

Scheme assets

Changes in the fair value of the scheme assets are as follows:

	2021	2020
	£	£
As at start of year	4,589,000	4,670,000
Expected return on scheme assets	78,000	82,000
Actuarial gains	665,000	16,000
Administrative expenses	(4,000)	(4,000)
Contributions by the employer	103,000	115,000
Contributions by scheme participants	29,000	32,000
Benefits paid	(60,000)	(322,000)
As at end of year	<u>5,400,000</u>	<u>4,589,000</u>

Carlisle Mencap Limited
Notes to the Financial Statements for the Year Ended 30 September 2021

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22 Related parties

Controlling entity

The charity is controlled by the trustees who are all directors of the company.

Related party transactions

During the year, 3 trustees (2020 - 3) were service users of the charity. There are no other related party transactions during the year.

Carlisle Mencap Limited
Notes to the Financial Statements for the Year Ended 30 September 2021

..... continued

23 Analysis of funds

	At 1 October 2020	Incoming resources	Resources expended	Transfers	Other recognised gains/(losses)	At 30 September 2021
	£	£	£	£	£	£
General Funds						
General Funds	1,036,346	2,663,267	(2,761,200)	6,269	-	944,682
Pension Reserve	(2,285,000)	-	(130,000)	-	310,000	(2,105,000)
	<u>(1,248,654)</u>	<u>2,663,267</u>	<u>(2,891,200)</u>	<u>6,269</u>	<u>310,000</u>	<u>(1,160,318)</u>
Restricted Funds						
Gannet Foundation (Sensory Equipment)	4,360	-	(4,360)	-	-	-
Sobell Foundation	4,309	-	(838)	-	-	3,471
Heritage Lottery Fund	-	-	-	-	-	-
Royal Mencap (Virtual Marathon)	500	-	(500)	-	-	-
AAS Big Lottery	9,410	46,035	(26,254)	-	-	29,191
Big Lottery - Adult Activities Sunday	-	-	-	-	-	-
North Cumbria Children's Short Breaks and Autism	-	-	-	-	-	-
South Cumbria Children's Short Breaks and Autism	-	-	-	-	-	-
English Lakes	797	-	-	-	-	797
Children in Need	-	23,971	(2,518)	-	-	21,453
Cumbria Youth Alliance - Emotional Resilience	-	3,000	(3,000)	-	-	-
Police CC - Think Safe, Keep Safe	-	3,000	(3,000)	-	-	-
Other Restricted Funds	10,800	10,985	(12,175)	-	-	9,610
Royal Mencap Society - let's get digital	-	2,700	(2,000)	(700)	-	-
PCC - Covid-19 Recovery Community Fund	-	4,700	(4,700)	-	-	-
Infection control grants	-	63,080	(63,080)	-	-	-
CCC - Hoist	-	5,000	(436)	(4,564)	-	-
Sport England - around the world challenge	-	3,948	(3,948)	-	-	-

Carlisle Mencap Limited

Notes to the Financial Statements for the Year Ended 30 September 2021

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Cumbria Foundation - Covid-19 Response	-	20,000	-	-	-	20,000
Royal Mencap - healthier me project	-	3,500	(3,500)	-	-	-
Heritage Lottery Fund - hearing our voice	-	10,000	(5,610)	(1,005)	-	3,385
CCC - HAF school meals	-	6,982	(3,642)	-	-	3,340
Workforce training grant	-	6,800	(4,740)	-	-	2,060
Active Cumbria	-	4,000	(4,000)	-	-	-
	<u>30,176</u>	<u>217,701</u>	<u>(148,301)</u>	<u>(6,269)</u>	<u>-</u>	<u>93,307</u>
	<u>(1,218,478)</u>	<u>2,880,968</u>	<u>(3,039,501)</u>	<u>-</u>	<u>310,000</u>	<u>(1,067,011)</u>

Carlisle Mencap Limited
Notes to the Financial Statements for the Year Ended 30 September 2021

..... continued

Restricted funds:

Gannet Foundation (Sensory Equipment) - Grant awarded for the purchase of Sensory Equipment.

Sobell Foundation - A contribution to Doves café costs including the purchase of the coffee machine.

Heritage Lottery Fund – Heritage Lottery Fund provided funding for an independence studio to promote the history and heritage of learning difficulties in North Cumbria.

Royal Mencap (Virtual Marathon) – Funding for sports coaches, facilitators and other sports professionals.

AAS Big Lottery – To help reduce loneliness, increase activity and opportunities to make friends for people with learning disabilities by setting up a hub, providing leisure and sporting activities in the community.

North Cumbria Children's Short Breaks and Autism – Cumbria County Council Children's Short Breaks & Autism included grant funding for residential respite, children activities in the community and support for families of children with autism.

South Cumbria Children's Short Breaks and Autism – Cumbria County Council Children's Short Breaks & Autism included grant funding for residential respite, children activities in the community and support for families of children with autism.

English Lakes – Grant funding to provide play (a swing) and sensory equipment at Huntley Avenue Children's Home.

Children in Need – Grant income provided for children's holidays.

Cumbria Youth Alliance – Emotional Resilience – Funding towards a programme for the siblings of children with Autism.

Police CC – Think Safe, Keep Safe – Funding for Independence studio film about online abuse.

Other Restricted Funds – Made up at the year end of several trivial funds. These largely relate to Covid-19 support grants, to support care services during the pandemic.

Royal Mencap Society – let's get digital – Grant received to purchase digital equipment and provide training sessions on digital software/equipment.

PCC – Covid-19 Recovery Community Fund – a project based on reducing the risk of victimisation by provide vulnerable members of the community with information on how to keep safe.

Infection control grants – The main purpose of this fund is to support adult social care providers to reduce the rate of COVID-19 transmission in and between care homes.

CCC – Hoist – Grant received to fund the costs relating to the purchase of the hoist in California House.

Sport England – around the world challenge – A fund designed to support and encourage members to keep fit.

Cumbria Foundation – Covid-19 Response – This fund relates to grants received to support care services during the pandemic, for example sick cover needed in relation to Covid-19, as well as the extra cleaning costs needed.

Royal Mencap – healthier me project – A project that encourages healthy eating by creating recipes.

Heritage Lottery Fund – hearing our voice – A project that focuses on Mencap's clients making a video of how the pandemic has affected their lives.

CCC – HAF school meals – Grant used to provide children meals during the holiday periods.

Workforce training grant – A grant designed to develop the knowledge and skills of Mencap's workforce.

Active Cumbria – Fund to contact members and encourage to keep fit & stay active at home.

Carlisle Mencap Limited

Notes to the Financial Statements for the Year Ended 30 September 2021

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Prior period

	At 1 October 2019	Incoming resources	Resources expended	Other recognised gains/(losse s)	At 30 September 2020 <i>As restated</i>
	£	£	£		£
General Funds		-			
General Funds	887,175	2,836,102	(2,686,931)	-	1,036,346
Pension Reserve	(2,558,000)	-	(158,000)	431,000	(2,285,000)
	<u>(1,670,825)</u>	<u>2,836,102</u>	<u>(2,844,931)</u>	<u>431,000</u>	<u>(1,248,654)</u>
Restricted Funds					
Gannet Foundation (Sensory Equipment)	-	4,360	-	-	4,360
Sobell Foundation	8,070	9,000	(12,761)	-	4,309
Heritage Lottery Fund	2,001	-	(2,001)	-	-
Royal Mencap (Virtual Marathon)	-	500	-	-	500
AAS Big Lottery	-	22,804	(13,394)	-	9,410
Francis C Scott - Stay Safe Online	4,000	-	(4,000)	-	-
Sports Development	7,543	-	(7,543)	-	-
Cumbria Foundation - Safer Together	-	6,556	(6,556)	-	-
Big Lottery - Adult Activities Sunday	15,732	15,806	(31,538)	-	-
California House Equipment	419	-	(419)	-	-
North Cumbria Children's Short Breaks and Autism	-	-	-	-	-
South Cumbria Children's Short Breaks and Autism	-	-	-	-	-
Lottery - Healing Together	-	23,500	(23,500)	-	-
English Lakes	797	-	-	-	797
Children in Need	23,501	-	(23,501)	-	-
Cumbria Youth Alliance - Emotional Resilience	6,000	6,000	(12,000)	-	-
Police CC - Think Safe, Keep Safe	6,534	-	(6,534)	-	-
NHS Cumbria - Saturday Club and Playscheme	2,793	-	(2,793)	-	-
Cumbria Youth Alliance - SoKA	3,030	3,000	(6,030)	-	-
Other Restricted Funds	2,250	68,566	(60,016)	-	10,800
	<u>82,670</u>	<u>160,092</u>	<u>(212,586)</u>	<u>-</u>	<u>30,176</u>
	<u>(1,588,155)</u>	<u>2,996,194</u>	<u>(3,057,517)</u>	<u>431,000</u>	<u>(1,218,478)</u>

Carlisle Mencap Limited
Notes to the Financial Statements for the Year Ended 30 September 2021

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24 Net assets by fund

	Unrestricted Funds	Restricted Funds	Total Funds 2021	Total Funds 2020
	£	£	£	£
Tangible assets	866,822	-	866,822	894,685
Current assets	350,077	120,307	470,384	505,939
Creditors: Amounts falling due within one year	(272,217)	(12,000)	(284,217)	(307,102)
Creditors: Amounts falling due after more than one year	-	(15,000)	(15,000)	(27,000)
Pension liabilities	(2,105,000)	-	(2,105,000)	(2,285,000)
Net assets	<u>(1,160,318)</u>	<u>93,307</u>	<u>(1,067,011)</u>	<u>(1,218,478)</u>

Prior period as restated

	Unrestricted Funds	Restricted Funds	Total Funds 2020	Total Funds 2019
	£	£	£	£
Tangible assets	894,685	-	894,685	933,466
Current assets	436,763	69,176	505,939	338,864
Creditors: Amounts falling due within one year	295,102	(12,000)	(307,102)	(265,485)
Creditors: Amounts falling due after more than one year	-	(27,000)	(27,000)	(37,000)
Pension liabilities	(2,285,000)	-	(2,285,000)	(2,558,000)
Net assets	<u>(1,248,654)</u>	<u>30,176</u>	<u>(1,218,478)</u>	<u>(1,588,155)</u>