



Plummer Parsons
Chartered Accountants

Charity Registration No. 1125686

Company Registration No. 06182982 (England and Wales)

EASTBOURNE & DISTRICT MENCAP LIMITED
ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2021

Chartered Accountants
& Statutory Auditor

EASTBOURNE & DISTRICT MENCAP LIMITED

LEGAL AND ADMINISTRATIVE INFORMATION

Trustees	Mr D J Long Mr C Mizen Mr S I Wibberley Mrs N E Trimmer Mr A M Norwood Mrs M J Thurstan Mrs M S Stubbs
Secretary	Mrs M J Thurstan
Charity number	1125686
Company number	06182982
Principal address	113 Pevensey Road Eastbourne East Sussex BN22 8AD
Registered office	113 Pevensey Road Eastbourne East Sussex BN22 8AD
Auditor	Plummer Parsons 18 Hyde Gardens Eastbourne East Sussex BN21 4PT
Solicitors	Gaby Hardwicke 33 The Avenue Eastbourne East Sussex BN21 3YD

EASTBOURNE & DISTRICT MENCAP LIMITED

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EASTBOURNE & DISTRICT MENCAP LIMITED

TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT)

FOR THE YEAR ENDED 31 MARCH 2021

The Trustees present their report and accounts for the year ended 31 March 2021.

The financial statements have been prepared in accordance with the accounting policies set out in note 1 to the financial statements and comply with the Charity's Memorandum and Articles of Association, the Companies Act 2006 and "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)".

Objectives and activities

The objects of the charity contained in the Company's memorandum of association 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;
- to prevent learning disabilities for the public benefit;
- to advance religion amongst persons with a learning disability; and
- to provide or assist in the provision of facilities for the recreation or other leisure time occupation for people who have need thereof by reason of learning disability with the object of improving their conditions of life.

Ensuring our work delivers our aims

We review our aims, objectives and activities each year. This review looks at what we have achieved and the outcomes of our work in the previous 12 months. The review looks at the success of each key activity and the benefits they have brought to those groups of people we are set up to help. The review also helps us to ensure that our aims, objectives and activities remain focussed on our stated purposes. We have referred to the guidance contained in the Charity Commission's general guidance on public benefit when reviewing our aims and objectives and in planning our future activities. In particular, the Trustees consider how planned activities will contribute to the aims and objectives they have set. The Board continue to review the relevance of the listed objectives and how we can influence certain things and will be seeking amendments to the prevention of Learning Disabilities and the advancing of religion. The Board does not believe it can prevent Disabilities. We are happy to support and encourage individuals with their own beliefs, but do not feel we can or should advance Religion. This has not changed over the last 12 months but it is something the Board are still keen to change.

Focus of our work

Our main objectives for the year continues to be to ensure that all people with a learning disability in the Eastbourne area are enabled to live as full and normal a life as their disability will allow. The strategies we used to meet these objectives included:

Our purpose is to support, empower and improve the quality of life of the people who use our services. Eastbourne and District Mencap strive to enable people to have greater independence and opportunities to meet their hopes, dreams and aspirations and to actively involve them as far as practically possible in making decisions over their day-to-day life and future.

Our ethos and values are the foundation of everything we do.

Our passionate, dedicated staff team provide a personalised service, focused on the individual's needs, continuously monitoring our approach to ensure that our progressive and personal development is striving for an excellent and outstanding service. We use award winning electronic technology to record everything in accordance with current CQC requirements.

- Providing a range of services which are reflective of the relevant quality standards and enable the learning disabled to live a fuller life.
- Training those involved in our activities to NVQ and other standards.
- Focussing on supporting the learning disabled, their carers' and relatives.
- Working in partnership with other agencies to secure that the widest range of services are available that best matches the needs of its client population.

EASTBOURNE & DISTRICT MENCAP LIMITED

TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT) (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2021

In order to assess the success of the charity's operation during the year, the Trustees monitor the following areas:

- The level of occupancy in the homes relative to the number of bedrooms;
- The number of people attending our daytime activities;
- The happiness of our beneficiaries whilst in our care;
- The expenditure relative to the approved budget.

How our Activities deliver public benefit

The Trustees have paid due regard to the Public Benefit guidance issued by the Charity Commission in deciding what activities the Charity should undertake. Our main activities and who we try to help are described below. All of our charitable activities focus on the care and support of those with a learning disability and are undertaken to further our charitable purposes.

Who used and benefited from our services?

Our objectives and funding limit the services we provide to those service users in Eastbourne and District. When a vacancy occurs any potential new service user is dependent on an assessment by the placing authority, who will be required to pay the fee, as well as an assessment by our Homes Manager to ensure his/her needs are met and also compatibility with the existing service users. The latter also forms part of the ongoing assessment of existing service users. We are still seeing a material increase in the complex needs of our service users both in our homes and those who access our day service. In the reported year (and since), we have seen a material increase in the complex care needs of our residents and how those needs affect the communities in which they reside. There is a direct knock-on effect of the cost to meet these needs which isn't easily recovered through central funding.

Equal access is important to us. We do not discriminate on access to our services by gender, sexual orientation or ethnicity. We only refuse access to those who cause serious disruption to other clients. We only refuse access to those service users whose needs we cannot meet and their lack of compatibility with others within the service.

Our residential services are restricted by the Care Quality Commission to adults over 18. Our daytime activities are generally attended by those of similar age. We find that we receive referrals when parents become less able to care for their dependents. We receive referrals from various avenues. These can be from local authorities, family members, colleges and schools. We can also be asked to take emergency referrals if we have a vacancy within our residential services. Further information on who benefits directly from our services is explained in the analysis of performance and achievements below.

Achievements and performance

Our core operational challenges in 2020-21 remain similar to those we faced in 2019-20 and this has been made increasingly more challenging due to Covid-19. Having made a deficit in 2019/2020, we are disappointed to report a further deficit this year, although we are encouraged by the reduction on the deficit and more so, with the direction of travel since the year-end.

There are a number of factors that have contributed to this position. Legacy operational challenges discovered in 2018 have continued to feature, taking a significant amount of resource to manage. In addition, the increasing care needs of our residents and the increasing regulatory environment in which we operate, set against a backdrop of continued local authority funding pressures, led to the deficit we see. We suffer from increased 'cost to serve' but lack the ability to simply put our prices up – the latter takes a significant negotiation with ESCC.

We still continue to negotiate with ESCC regarding our current bed fee and the changing needs of the service users within our residential services. Each service user is assessed individually and due to lack of ESCC staffing this is not carried out as frequently as it should be. The cost of running a service with the increase of utilities and the change in the national minimum living wage is not reflected in the care costs that we receive. We are trying to work with ESCC to address this.

EASTBOURNE & DISTRICT MENCAP LIMITED

TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT) (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2021

Our overall staffing bill has remained stable but the agency bill this year has been £148k. We have reduced the use of agency staff by £92k, still an unsustainable level, but an improvement. This has shown a reliance on agency and the homes still rely on agency staff. The agency bill in 2017 (the last year we made a surplus) was £287k and this demonstrates a long-term reliance on agency staff to support the business during challenging periods. The measures taken in 2019/2020 to improve the position by a combination of measures including enhancing staffing benefits and hourly rates, expanding our Bank Staff numbers and utilising staff across all locations is beginning to have an impact but this is a slow burn. In addition, we have reduced the repairs and maintenance costs following a year of larger non-recurrent items.

We currently have two vacancies in our organisation, one in our residential service and the other in our supported living home. These have been difficult to fill due to Covid-19.

This year the day service has continued to thrive despite being closed for 13 months due to Covid-19. We have seen a slow return of service users and now we find ourselves nearly at full capacity on certain days of the week. We have managed to hold events that were postponed during the pandemic and these have been a great success in the community. This has helped us to raise our profile in Eastbourne. The art exhibition was opened by the Lord Lieutenant and the Mayor of Eastbourne.

We have had to deal with the additional pressure from the Covid-19 virus. None of our homes have had any cases of the virus and this has been down to the commitment and hard work of the management and staff teams.

We have managed the situation by ensuring that the safety of our service users and staff was always our main priority. The following actions have been put into place:

- Risk assessments for staff and service users. These were reviewed fortnightly.
- PPE equipment is worn at all times.
- The homes have been in lockdown. Only staff employed to work in the home are allowed to enter.
- Additional management meetings were held daily then reduced to weekly via Microsoft Teams so we could monitor and review the homes practices.
- The Day Centre and Head Office were closed due to the Government guidance regarding social distancing.
- Staff who showed signs of Covid-19 were told to self-isolate and when it was introduced, referred to the testing centres.
- Infection control measures have been introduced with additional hand sanitiser and handwashing facilities provided.
- Easy read guides have been given to service users to help them understand what is happening and additional service user meetings have been undertaken to alleviate any concerns they might have.
- Weekly letters, telephone calls and Skype meetings have taken place between service users and family members so they can remain in contact.
- Weekly newsletters have been sent to staff to ensure they are kept in touch with the changes that are happening.
- Action plans have been devised so that the homes have clear guidance to follow should the need arise.

We continue to follow the Covid-19 procedures we had in place to ensure that we remain Covid free. We have also started to relax the rules on visits to the residential homes and the service users accessing the community. This is so we can meet the needs of the service user's health and wellbeing.

We would like to express our thanks to those people and organisations who supported us financially during the year: -

F Higgins	£10,000
In memory of A Rees	£10,250
Sovereign Swimming Club	£5,989
R Dickie	£2,000
Anonymous	£1,000
Eastbourne Firefighters	£1,000

EASTBOURNE & DISTRICT MENCAP LIMITED

TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT) (CONTINUED) **FOR THE YEAR ENDED 31 MARCH 2021**

We continue to charge for the use of the organisations transport. We have taken 1 vehicle off the road due to it being unsuitable and beyond repair.

Personalisation

We are committed to delivering support that is tailored to individual needs, personalising our services as far as this is possible. Our key workers work closely with our service users and day service users in promoting choice for the activities they wish to participate in. We have purchased new software that enables the homes to offer supportive text for the service users to be able to have a clear understanding of what is going on around them and offering them information in a format that they can understand. This enables us to offer personalised plans and timetables to meet the service users individualised needs.

We purchased "Nourish" a digital care management system that is tailored to the individual needs of the service users and the care service. This enables us to deliver flexible, adaptable care to the highest quality. We are finding that this is a great investment as it enables staff to record and monitor the support that is delivered to individual service users. The system also enables us to communicate more effectively with the staff team which therefore makes us more responsive to individual's needs.

The homes have devised pictorial support plans and daily timetables to make sure that each service user has a personalised plan to ensure that the support they are given is delivered in a way that has been agreed with the service user. These are updated when a change in need arrives and revisited regularly during keyworker meetings and staff meetings. We have seen this have a positive effect on service user's behaviour and engagement.

Support

Residential care homes

The charity runs residential care homes in Eastbourne. Sedgemoor & Framley has now formally been separated and the remaining service (Framley) is now known as 4 Mill Road. We also have Greensleeves and 27 Arundel Road. During the year, we have seen a reduction in the numbers of service users we can accommodate due to the changes made to 4 Mill Road. We are now registered for a total of 29 adults with learning disabilities who are helped to live as independently as their disability allows, but within a safe and friendly environment.

When a service user moves into one of our homes, they are assured that they can stay for as long as they wish, our policy being that it is "a home for life". However, they are free to move elsewhere at any time if they so wish and, if their needs change so that we become unable to care for them, a move to a nursing or other specialist home may be necessary. We take this issue very seriously and if the need for a move is deemed necessary, we work very closely with all parties, to ensure a suitable place is found. If we are unable to meet the service users' individuals needs then notice will be given to the placing authority. The notice period given is 28 days.

We continue to work with ESCC for local referrals, but ESCC favours the Supported Living model – especially for low and medium levels of care. We have met with ESCC who have told us that there will always be a need for residential services in Eastbourne. We are also receiving referrals for placements from out of area and we are currently working with Walthamstow and Croydon.

Whilst our priority and preference is to focus our activity locally, if we have vacancies that cannot be filled from our local catchment, we must cast our nets wider. The Board feel attracting service users from further afield is more favourable than allowing long-term vacancies – the financial cost of which is detrimental to all users.

Sedgemoor and Framley

During the year we completed the refurbishment of Framley and also changed the name to 4 Mill Road. We provide accommodation for more independent service users with learning and physical disabilities in 10 en-suite bedrooms in single occupancy. We continue to receive referrals for people who need higher levels of support and also have a higher degree of mental health challenges. The service users took an active role in choosing things for the home and making choices over the colour schemes for communal areas and their own bedrooms. The refurbishment has seen a rise in service users independence as they take pride in their home. We have created a homely engaging environment which we are very proud of.

EASTBOURNE & DISTRICT MENCAP LIMITED

TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT) (CONTINUED) **FOR THE YEAR ENDED 31 MARCH 2021**

The service has been donated a portacabin, which we have turned into an activities room and sensory room enabling service users to use this space to carry out additional workshops.

We have a new manager in post and she is supporting the service users to take an active role within the home. She is also working with the staff team to deliver outstanding person-centred care, whilst maintaining the service users' skills and interests. The service users are accessing greater volunteer employment opportunities and getting involved in more community-based activities and groups.

Greensleeves

This home has 9 single bedrooms with en-suite facilities. We have made some improvements this year and replaced the kitchen. We currently have 1 vacancy.

We have seen a decline in the needs of service users here due to older age and additional health needs. This has seen an increase in staffing levels and more time spent supporting individuals, we have also had to renegotiate their care packages with ESCC.

During the Covid pandemic we have built an arts and crafts room in the garden to enable us to provide another space where service users could go during the day. We have also built raised beds around the garden so they can grow their own fruit and vegetables.

27 Arundel Road

We have 9 service users at this property and currently no vacancies.

We have redesigned the rooms in this service to provide better communal areas for the service users. We have also been able to make space and change a second lounge into an activities room.

The service users in this home no longer attend any external day services. The manager made this decision as he wanted to provide more meaningful activities in-house and within the community. All of the service users in this service have a severe learning disability with additional complex needs. The home wants to provide a service that is outcome based and enhances the quality of life of those service users who reside here. This has had a positive impact on the service users and we are seeing them overcome challenges that some have had for a number of years, whilst developing new forms of communication to enable their needs to be met. The feedback we have had from family members and other professionals has been very complementary and encouraging.

Supported living

The charity provides supported accommodation for two adults with a learning disability in a bungalow called Holmworth. The accommodation is used under a tenancy agreement with the funding for this provided by housing benefit. The additional support hours are provided by us and the funding is received by ESCC. Each tenant has an individual contract which will allow them to decide how they receive their support.

The Trustees believe there will always be a demand for residential care for people with a learning disability, particularly those who are older and those who require high levels of support. We will continue to consider supported living provision in the future.

We have a vacancy here at the moment.

Day Services

The Hive of Activity

This provides varied meaningful workshops for learning disability users which in turn provides respite for their carers in the community for 5 days a week. The various activities are chosen by those who attend and are very varied. Funding for this is partly provided by East Sussex County Council where we have contracts to provide the service for some of those who attend; a charge is made to those for whom we do not have a contract.

The Hive also has a café where service users and visitors can purchase drinks and light lunches. The service users work alongside staff in the café.

EASTBOURNE & DISTRICT MENCAP LIMITED

TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT) (CONTINUED) **FOR THE YEAR ENDED 31 MARCH 2021**

Workshops

These are held 5 days a week for 6 Periods in blocks of 6-week sessions a year. They continue to prove successful with between 20 to 35 attending daily, and enjoying a choice of 25 activities. The activities, which take place in small groups, are selected by the service users. The workshops are designed so that everyone attending will achieve an end goal. All workshops have a step-by-step detailed plan which is discussed with the service users at the beginning of every session. The workshops are tailored to the individuals needs so that everyone attending is engaged and able to contribute.

ASDAN accredited workshops have been introduced. ASDAN programmes and qualifications are widely recognised by educators for providing an engaging curriculum that empowers service users through personalised learning and choice. The courses motivate and enhance service users' confidence, self-esteem and resilience.

Personalisation means that certain workshops involve going out into the wider community. A workshop pack is produced before each term inviting applications for each workshop. Some users are funded by contracts with East Sussex County Council and other are privately funded.

Networking

We continue to attend meetings of various groups throughout the year, including East Sussex County Council Support, Liaison meetings and also provider forums, meetings with the voluntary sector, and local network meetings with others. We are currently networking with local organisations within Eastbourne. These are the Job Centre, Hospice, Chamber of Commerce, Leaf Hall and Disability Confident.

Of critical importance is maintaining a close relationship with our key stakeholders – namely ESCC and the CQC. Our CEO is in close contact with both to ensure we remain aligned.

Headquarters and Activity Centre

These continue to be used for our own activities.

The first-floor office accommodation is used for administration purposes and the meeting room is in constant use for staff meetings and training as well as trustee and sub-committee meetings.

Website, Social Media and branding

This year we have been working on developing our website so we can engage more with the community. Since we have redesigned the layout, we have seen an increase in numbers who are visiting the site. We are now using the website to advertise for jobs and events that we are holding.

We are now increasing our use of social media to highlight our success stories, share information and raise awareness of what we do. There is much to do in the space and we are continually reviewing our offering – however we have had to focus on the operational provision of care.

This year we have been looking at our affiliation to Royal Mencap as they have expressed a desire for us to cease using the name. It is also generally felt throughout the organisation, that reference to Mencap restricts our fund-raising potential (as people feel we are funded centrally by Mencap). The rebranding did not go ahead as planned in 2019 as we could not reach consensus amongst the membership for a new name and it was felt the whole membership were not given sufficient involvement with the exercise. This was discussed again at the AGM and consensus was reached on the concept of changing, but due to the Covid-19 virus, we have not been able to make any progress.

Training

The charity continues to offer mandatory training to meet the CQC regulations. Government quotas for the percentage of the workforce who need to be trained at Diploma level change frequently, but from the start the charity has always exceeded any of the requirements.

We have developed a yearly training programme with the support from On Target Training. This will ensure that all of the staff have the opportunity to attend the required training. New staff that join the organisation will also have regular training provided throughout the year due to the way the programme has been devised.

EASTBOURNE & DISTRICT MENCAP LIMITED

TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT) (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2021

We are also using the ESCC training portal to access additional training for staff. Due to Covid-19 we have enlisted an online training company to provide our staff with the relevant training whilst face to face training cannot be provided.

Personalisation is built into our training which we recognise is essential to enable all our beneficiaries to lead the lives they choose. Training and personal development needs are discussed in supervisions and yearly appraisals. We encourage our staff to attend additional training if they have an interest or it is deemed to be of benefit to the service users within the service.

This year we have a strong management team who all have a specific area of expertise and interest. We are encouraging the managers to be responsible in taking the lead in delivering and developing specific training areas. We offer bespoke training to our staff that has been identified as a need to enable them to provide specific care needs to the service users who reside in the homes.

We are actively encouraging the staff to undertake NVQ's in adult social care. We have devised a criteria that staff need to meet to enable them to enrol on the course. Due to the financial implications of this we will have to limit the numbers each year.

We are not immune to the industry pressures surrounding recruitment and retention of staff. We have taken steps to improve our terms of employment which has had a positive impact but we still have vacancies to fill.

Financial review

Donations and legacies amounted to £30k in the year – a slight increase on the previous year

Our total income for the year was £2,342k up £377k over the previous year 2019/20 however this includes the non-recurrent gain on the sale of No2 Mill Road and some COVID grant funding. Our underlying income excluding these one-off elements was £1,952k down very slightly from the prior year. Our core expenditure was £1,8173k down by £161k on the prior year.

Our main areas of expense continue to be agency fees and staffing costs.

The operational challenges presented by several management changes has led to increased costs which have now been reversed with a range of measures. The Board is working closely with the senior management and our accountants to ensure a sustainable operational is maintained. I am pleased to report that within the current financial year, we are forecasting a small surplus.

Reserves policy

The purpose of the reserves is to secure the future of our services, to fund any projects and to fund future building needs.

The Trustees have reviewed the charity's requirements for reserves in the light of the main risks to our operations.

Reserves are required:

- (a) to provide funds which can be designated for specific projects to enable these projects to be undertaken at short notice; and
- (b) to cover administration, fundraising and support costs without which the charity could not function; and
- (c) to cover the funds held as functional fixed assets without which the charity could not deliver adequate care to its residents and to avoid the necessity of realising fixed assets held for the charity's use.

EASTBOURNE & DISTRICT MENCAP LIMITED

TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT) (CONTINUED) **FOR THE YEAR ENDED 31 MARCH 2021**

Funds held as functional fixed assets are designated and excluded from the calculation of reserves. This recognises that these assets are used operationally and their disposal would adversely impact on our ability to deliver care to our beneficiaries. The level of reserves is monitored and reviewed by the Trustees on an ongoing basis.

The level of free reserves required to achieve this amount had been approved by the Trustees at £150k, which is the sum the Trustees consider necessary to cover ongoing costs if there is a delay in receiving funding from East Sussex County Council. As at the year end, free reserves, which had not been designated for a specific use, stood at £649,446.

The Board acknowledge that reserves need to be bolstered and this will happen with the sale of Sedgemoor and the retention of capital after the refurbishment of Framley has been completed. This will take our reserves comfortably back above £300k. In the interim, and based on a strict and stable cash-flow with a projected surplus month on month, the Board have agreed to allow reserves to drop below the £300k to part fund the refurbishment of Framley which is needed to progress the completed sale of Sedgemoor. Operationally, we can no longer defer the refurbishment and have little choice but to invest liquid reserves in this way.

Total funds at the end of the year amounted to £2,203,675 of which £1,554,229 was designated. Of these designated funds £1,521,734 relate to fixed assets which are required for the charity to carry out its operations and hence, are not available for distribution. The designated funds were established by the charity to designate funds for ongoing activities in these areas.

There were no restricted funds at the end of the year. Cash and Cash Equivalents have reduced to £280,817 from £311,325. Over the years, building maintenance has not sufficiently been carried out and therefore the Board have decided to look at using free reserves and/or borrowing, to improve the condition of our buildings.

The principal funding source

Apart from legacies and fundraising the principal funding sources for the charity are currently by way of grants and contract income from East Sussex County Council and other placing authorities. The level of much of this funding is fixed according to the level of support required for each resident and this allows us to provide appropriate housing/support/care for their particular basic needs. Whilst ESCC endeavour to review the Care Funding Calculation for each user, every 12 months, this isn't always achieved due to competing priorities. We are still pushing hard for out-of-date reviews to be concluded as a matter of urgency so we have up to date CFCs in place. The minimum/living wage legislation is expected to continue to place pressure on our operating costs as increases are anticipated in the coming years. We continue to work closely with ESCC to ensure the support package we receive is in line with what is needed.

Investment policy

Aside from retaining a prudent amount in reserves each year, most of the charity's funds are held in short term fixed deposits.

Risk Management

The Trustees have assessed the major risks to which the charity is exposed, and are satisfied that systems are in place to mitigate exposure to the major risks. The process of identifying, evaluating and managing the major risks to which the charity is exposed has continued throughout the year. Where any such weaknesses have been identified, appropriate systems or procedures have been established to mitigate risks the charity faces.

Internal control risks are minimised by the implementation of procedures for authorisation of all transactions. Procedures are in place to ensure compliance with all relevant legislation including health and safety, equal opportunities, service users' welfare, moving and handling, fire awareness, medication, food hygiene and others. An internal Audit system is in place whereby the Chief Operating Officer and the homes managers carry out monthly checks to ensure policies, procedures and safeguarding issues are being correctly carried out and recorded.

EASTBOURNE & DISTRICT MENCAP LIMITED

TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT) (CONTINUED) **FOR THE YEAR ENDED 31 MARCH 2021**

Our current focus

- Recruiting and maintain good quality staff to reduce the impact of agency costs. This has been increasingly difficult due to Covid-19.
- Negotiations continue regarding the leasehold at 27 Arundel Road. The charity will continue to carry out improvements to the homes where possible, particularly where this will result in an increase in income. The assignment of the lease with Southdown Housing is still under negotiation with Eastbourne Borough Council.
- We need to expand the depth, experience and number of Trustees – the Board is actively seeking new people to join the Board. There have been a number of changes at Board level during and after the year-end and this remains a key priority – but difficult to proactively manage.
- A further primary focus is investing in our fixed assets. We have drawn up detailed list of refurbishments for all properties so investment can be made on a targeted, but prioritised basis. Critical to this is investing in services that deliver what is needed primarily for our Service Users in line with Social Services stated requirements.
- We continue to review our main charitable objectives so they remain relevant and in tune with the founding principles, but we also must ensure they are achievable.
- To look at new income streams for the organisation.
- To increase our fees in consultation with ESCC.

Structure, governance and management

The Charity is a charitable company limited by guarantee incorporated on 26 March 2007 and registered as a charity on 2 September 2008. The Company was established under a Memorandum of Association which established the powers of the Charitable Company and is covered by its Articles of Association. In the event of the company being wound up members are required to contribute an amount not exceeding £1. The company took over the assets and liabilities of the unincorporated charity, Eastbourne & District Mencap, which was formed in 1949.

Full legal and administrative information is displayed on the flysheet to the accounts prior to the contents page.

Mr D J Long

Mr C Mizen

Mr S I Wibberley

Mr P Lott

(Resigned 22 June 2021)

Mrs N E Trimmer

Mr A M Norwood

Mrs M J Thurstan

Mrs M S Stubbs

The directors of the company are also Charity Trustees for the purposes of charity law and under the company's Articles are known as members of the Management Committee. Under the Memorandum and Articles of Association all the Officers and four members are appointed each year at the AGM or an EGM in accordance with the Articles to hold office until the end of the next AGM. The whole membership is invited to nominate members for election. The Board may co-opt up to four additional people (who may, but do not need to be members of the Society) being persons having a special interest in and qualifications for furthering the work of the charity.

All Trustees are already familiar with the practical work of the charity, and after appointment they are required to visit the homes and day services on a regular basis and report back to the next meeting and encouraged to participate in the various sub-committees.

All members of the Management Committee give their time voluntarily and receive no benefits from the charity except the learning-disabled representative. Any expenses reclaimed from the charity are set out in the notes to the accounts. All directors who have claimed expenses have donated at least equivalent to the expenses claimed.

EASTBOURNE & DISTRICT MENCAP LIMITED

TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT) (CONTINUED) **FOR THE YEAR ENDED 31 MARCH 2021**

The Management Committee seeks to ensure that the needs of the learning disabled are reflected through diversity on the Trustees body. This has required one Trustee with a learning disability receiving support prior to meetings. Our current representative has resigned so we are currently looking for a replacement.

The more traditional business and care skills are well represented on the Management Committee.

When seminars are arranged locally Trustees are invited to attend. New trustees are provided with information outlining their responsibilities as Trustees and Directors. This includes extracts from the Companies House website as well as the guidance from the Charity Commission - "The Essential Trustee".

A Management Committee of up to twelve meets monthly and administers the charity, covering policy, membership and finance. At present the Committee has eight members from a variety of professional and caring backgrounds relevant to the work of the charity.

A scheme of delegation is in place and day to day responsibility for the provision of services rests with the CEO and the Service Managers. The CEO is responsible for ensuring that the charity delivers the services specified and that performance indicators are met. The Service Managers are responsible for the day to day running of their particular service under the overall supervision of the CEO.

Major decisions on future policies are taken to a general meeting for the approval of members.

In so far as it is complementary to the charity's objects, the charity is guided by both local and national policy. We continue to work with others to achieve the goals of "Personalisation - Personal Choice", "Valuing People Now" and "Getting it Right" campaigns. We have kept abreast of and complied with the new requirements of the Government, Social Services, Care Quality Commission, Health and Safety and others.

People

The Trustees would like to put on record their gratitude for the loyal and dedicated support from all staff throughout the year. The Trustees would also like to thank the retired Trustees for their hard work in the past.

The Trustees appreciate the time spent by volunteers, and employees working as volunteers outside their working hours, helping with the work of the charity, and recognise the risk of costs increasing if this had to be done by paid staff.

The Trustees appreciate the support the charity receives from the public both individuals and local organisations particularly those who have given donations and legacies without which the charity's work would have to be curtailed.

Asset cover for funds

Note 18 sets out an analysis of the assets attributable to the various funds and a description of the trusts.

These assets are sufficient to meet the charity's obligations on a fund-by-fund basis.

We predict that financial pressures will continue during the coming year as the charity continues to have to employ staff to meet the increasing number of regulations and volume of paperwork relating to the work carried out by the charity.

Funds held as custodian trustee

The charity holds some monies on behalf of residents as custodian trustees. This is a temporary arrangement until the local authority can formally take over this responsibility. These monies are not assets of the charity and therefore the bank balances and corresponding creditors have been eliminated from the accounts.

EASTBOURNE & DISTRICT MENCAP LIMITED

TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT) (CONTINUED) ***FOR THE YEAR ENDED 31 MARCH 2021***

Auditor

In accordance with the company's articles, a resolution proposing that Plummer Parsons be reappointed as auditor of the company will be put at a General Meeting.

Each of the Trustees has confirmed that there is no information of which they are aware which is relevant to the audit, but of which the auditor is is unaware. They have further confirmed that they have taken appropriate steps to identify such relevant information and to establish that the auditor is aware of such information.

This report has been prepared in accordance with the small company regime as outlined in Section 419(2) of the Companies Act 2006.

On behalf of the board of Trustees

Mr C Mizen

Trustee

Dated: 26 January 2022

EASTBOURNE & DISTRICT MENCAP LIMITED

STATEMENT OF TRUSTEES' RESPONSIBILITIES

FOR THE YEAR ENDED 31 MARCH 2021

The Trustees, who are also the directors of Eastbourne & District Mencap Limited for the purpose of company law, are responsible for preparing the Trustees' Report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

Company Law requires the Trustees to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the Charity and of the incoming resources and application of resources, including the income and expenditure, of the charitable company for that year.

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 Charity will continue in operation.

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

EASTBOURNE & DISTRICT MENCAP LIMITED

INDEPENDENT AUDITOR'S REPORT

TO THE TRUSTEES OF EASTBOURNE & DISTRICT MENCAP LIMITED

Opinion

We have audited the financial statements of Eastbourne & District Mencap Limited (the 'Charity') for the year ended 31 March 2021 which comprise the statement of financial activities, the statement of financial position, the statement of cash flows and the notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland* (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

- give a true and fair view of the state of the charitable company's affairs as at 31 March 2021 and of its incoming resources and application of resources, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

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

Emphasis of matter

In forming our opinion on the accounts, which is not modified, we have considered the adequacy of the disclosure made in note 20 regarding long term commitments. This note states that it is not possible to quantify the commitment in respect of the provision of a 'Home for Life' for those with learning disabilities. The Statement of Recommended Practice for charities requires financial quantification of such commitments and therefore in this respect the disclosure is restricted.

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 Charity's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

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

Other information

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

We have nothing to report in this regard.

EASTBOURNE & DISTRICT MENCAP LIMITED

INDEPENDENT AUDITOR'S REPORT (CONTINUED)

TO THE TRUSTEES OF EASTBOURNE & DISTRICT MENCAP LIMITED

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters in relation to which the Charities (Accounts and Reports) Regulations 2008 require us to report to you if, in our opinion:

- the information given in the financial statements is inconsistent in any material respect with the Trustees' report; or
- sufficient accounting records have not been kept; or
- the financial statements are not in agreement with the accounting records; or
- we have not received all the information and explanations we require for our audit.

Responsibilities of Trustees

As explained more fully in the statement of Trustees' responsibilities, the Trustees, who are also the directors of the Charity for the purpose of company law, are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the Trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error. In preparing the financial statements, the Trustees are responsible for assessing the Charity's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Trustees either intend to liquidate the charitable company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

The trustees have elected for the financial statements to be audited in accordance with the Charities Act 2011 rather than the Companies Act 2006. Accordingly, we have been appointed as auditor under section 144 of the Charities Act 2011 and report in accordance with regulations made under section 154 of that Act.

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.

Based on our understanding of the charity and its activities, and through discussion with the trustees and other management (as required by auditing standards), we identified that the principal risks of non-compliance with laws and regulations related to the Companies Act 2006, Charities Act 2011, Data Protection Act, GDPR, and other relevant legislation.

We considered the extent to which non-compliance might have a material effect on the financial statements. We also considered those laws and regulations that have a direct impact on the preparation of the financial statements, being FRS 102 and Charities SORP (FRS 102) (effective January 2019). We communicated identified laws and regulations throughout our team and remained alert to any indications of non-compliance throughout the audit.

EASTBOURNE & DISTRICT MENCAP LIMITED

INDEPENDENT AUDITOR'S REPORT (CONTINUED)

TO THE TRUSTEES OF EASTBOURNE & DISTRICT MENCAP LIMITED

We evaluated management's incentives and opportunities for fraudulent manipulation of the financial statements (including the risk of override of controls), and determined that the principal risks were related to posting inappropriate journal entries to increase income or reduce expenditure, related party transactions, management bias in accounting estimates and judgemental areas of the financial statements. Audit procedures performed by the engagement team included:

- Discussions with management and assessment of known or suspected instances of non-compliance with laws and regulations and fraud, and review of the reports made by management; and
- A review of relevant correspondence, including correspondence with HM Revenue & Customs, for signs of potential non-compliance with laws and regulations; and
- A review of specific nominal codes within the accounting records that would highlight costs associated with non-compliance of relevant laws and regulations; and
- Assessment of identified fraud risk factors; and
- Challenging assumptions and judgements made by management in its significant accounting estimates; and
- Performing analytical procedures to identify any unusual or unexpected relationships, including related party transactions, that may indicate risks of material misstatement due to fraud; and
- Confirmation of related parties with management, and review of transactions throughout the period to identify any previously undisclosed transactions with related parties outside the normal course of business; and
- Review of significant and unusual transactions and evaluation of the underlying financial rationale supporting the transactions; and
- Identifying and testing journal entries, in particular any manual entries made at the year-end for financial statement preparation, as well as throughout the year.

There are inherent limitations in the audit procedures described above and the further removed non-compliance with laws and regulations is from the events and transactions reflected in the financial statements, the less likely we would become aware of it. Also, the risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error, as fraud may involve deliberate concealment by, for example, forgery or intentional misrepresentations, or through collusion.

As part of an audit in accordance with ISAs (UK), we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion of the effectiveness of the company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Trustees.
- Conclude on the appropriateness of the trustees' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the charity's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our Auditor's Report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our Auditor's Report. However, future events or conditions may cause the company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

EASTBOURNE & DISTRICT MENCAP LIMITED

INDEPENDENT AUDITOR'S REPORT (CONTINUED)

TO THE TRUSTEES OF EASTBOURNE & DISTRICT MENCAP LIMITED

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

A further description of our responsibilities is available on the Financial Reporting Council's website at: <https://www.frc.org.uk/auditorsresponsibilities>. This description forms part of our auditor's report.

This report is made solely to the company's members, as a body, in accordance with section 391 of the Companies Act 2014. Our audit work has been undertaken so that we might state to the 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 company and the company's members, as a body, for our audit work, for this report, or for the opinions we have formed.

Plummer Parsons

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**Chartered Accountants
Statutory Auditor**

18 Hyde Gardens
Eastbourne
East Sussex
BN21 4PT

Plummer Parsons is eligible for appointment as auditor of the Charity by virtue of its eligibility for appointment as auditor of a company under section 1212 of the Companies Act 2006.

EASTBOURNE & DISTRICT MENCAP LIMITED

STATEMENT OF FINANCIAL ACTIVITIES INCLUDING INCOME AND EXPENDITURE ACCOUNT

FOR THE YEAR ENDED 31 MARCH 2021

		Unrestricted funds general 2021 £	Unrestricted funds designated 2021 £	Total 2021 £	Unrestricted funds general 2020 £	Unrestricted funds designated 2020 £	Total 2020 £
	Notes						
<u>Income and endowments from:</u>							
Donations and legacies	3	103	30,032	30,135	19,036	8,388	27,424
Charitable activities	4	1,828,426	165,740	1,994,166	1,698,466	236,655	1,935,121
Other trading activities	5	-	-	-	-	1,396	1,396
Investments	6	117	-	117	651	-	651
Other income	7	25,151	293,033	318,184	700	-	700
Total income		1,853,797	488,805	2,342,602	1,718,853	246,439	1,965,292
<u>Expenditure on:</u>							
Charitable activities	8	1,619,960	253,444	1,873,404	1,792,276	242,070	2,034,346
Net incoming/(outgoing) resources before transfers		233,837	235,361	469,198	(73,423)	4,369	(69,054)
Gross transfers between funds		285,126	(285,126)	-	(58,849)	58,849	-
Net income/(expenditure) for the year/ Net movement in funds		518,963	(49,765)	469,198	(132,272)	63,218	(69,054)
Fund balances at 1 April 2020		130,483	1,603,994	1,734,477	262,755	1,540,776	1,803,531
Fund balances at 31 March 2021		649,446	1,554,229	2,203,675	130,483	1,603,994	1,734,477

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

All income and expenditure derive from continuing activities.

The statement of financial activities also complies with the requirements for an income and expenditure account under the Companies Act 2006.

EASTBOURNE & DISTRICT MENCAP LIMITED

STATEMENT OF FINANCIAL POSITION

AS AT 31 MARCH 2021

	Notes	2021 £	£	2020 £	£
Fixed assets					
Property, plant and equipment	13		1,521,734		1,511,331
Current assets					
Trade and other receivables	14	722,367		19,403	
Cash at bank and in hand		280,817		311,325	
		<u>1,003,184</u>		<u>330,728</u>	
Current liabilities	16	(279,576)		(107,582)	
Net current assets			723,608		223,146
Total assets less current liabilities			2,245,342		1,734,477
Non-current liabilities	17		(41,667)		-
Net assets			<u>2,203,675</u>		<u>1,734,477</u>
Income funds					
<u>Unrestricted funds</u>					
Designated funds	18	1,554,229		1,603,994	
General unrestricted funds		649,446		130,483	
		<u></u>	2,203,675	<u></u>	1,734,477
			<u>2,203,675</u>		<u>1,734,477</u>

EASTBOURNE & DISTRICT MENCAP LIMITED

STATEMENT OF FINANCIAL POSITION (CONTINUED)

AS AT 31 MARCH 2021

The company is entitled to the exemption from the audit requirement contained in section 477 of the Companies Act 2006, for the year ended 31 March 2021, although an audit has been carried out under section 144 of the Charities Act 2011.

The director acknowledges her responsibilities for complying with the requirements of the Companies Act 2006 with respect to accounting records and the preparation of financial statements.

The members have not required the company to obtain an audit of its financial statements under the requirements of the Companies Act 2006, for the year in question in accordance with section 476.

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

The financial statements were approved by the Trustees on 26 January 2022

Mr C Mizen
Trustee

Mr A M Norwood
Trustee

Company Registration No. 06182982

EASTBOURNE & DISTRICT MENCAP LIMITED

STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 31 MARCH 2021

	Notes	2021 £	£	2020 £	£
Cash flows from operating activities					
Cash absorbed by operations	23		(273,627)		(10,000)
Investing activities					
Purchase of property, plant and equipment		(488,068)		(58,849)	
Proceeds on disposal of property, plant and equipment		681,070		700	
Investment income received		117		651	
Net cash generated from/(used in) investing activities			193,119		(57,498)
Financing activities					
Receipt of bank loans		50,000		-	
Net cash generated from/(used in) financing activities			50,000		-
Net decrease in cash and cash equivalents			(30,508)		(67,498)
Cash and cash equivalents at beginning of year			311,325		378,823
Cash and cash equivalents at end of year			280,817		311,325

EASTBOURNE & DISTRICT MENCAP LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2021

1 Accounting policies

Charity information

Eastbourne & District Mencap Limited is a private company limited by guarantee incorporated in England and Wales. The registered office is 113 Pevensy Road, Eastbourne, East Sussex, BN22 8AD.

1.1 Accounting convention

The financial statements have been prepared in accordance with the Charity's Memorandum and Articles of Association, the Companies Act 2006 and "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)". The Charity is a Public Benefit Entity as defined by FRS 102.

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 £.

The financial statements have been prepared under the historical cost convention. The principal accounting policies adopted are set out below.

1.2 Going concern

At the date of this report, there exists considerable uncertainty regarding the potential impact of the Coronavirus and the economic consequences, both within the U.K. and overseas, which may result from government policies to contain the spread. The duration and geographical extent of any possible lockdown or future government policies are unknown. Whilst we are unable to predict what the economic consequences may be and the impact on the charity's future ability to continue trading, we have continued to use the going concern basis as appropriate in the preparation of these accounts.

1.3 Charitable funds

Unrestricted funds are available for use at the discretion of the Trustees in furtherance of their charitable objectives.

Designated funds comprise funds which have been set aside at the discretion of the Trustees for specific purposes. Further details of these funds can be found in note 18 to the accounts.

1.4 Income

All incoming resources are recognised in the Statement of Financial Activities once the charity has gained entitlement to them and the amounts can be quantified with sufficient reliability. The following specific policies are applied to particular categories of income:

- Voluntary income is received by way of legacies, donations and gifts and other voluntary income is included in full in the Statement of Financial Activities when receivable. Legacies are recognised in the accounts once there is sufficient evidence that the charity is entitled to such income, provided that the amount receivable can be quantified with relative accuracy.
- Donated services and facilities are included at the value to the charity where this can be quantified. The value of services provided by volunteers has not been included in these accounts.
- Provision of services - income for the provision of residential and day care services is recognised for the period covered by the service.
- Investment income is recognised in the financial statements when receivable.

The charity is not registered for VAT. All income is net of trade discounts.

EASTBOURNE & DISTRICT MENCAP LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2021

1 Accounting policies

(Continued)

1.5 Expenditure

Expenditure is recognised on an accruals basis when a liability is incurred.

Charitable expenditure comprises those costs incurred by the charity in pursuit of its charitable objectives. It includes both direct costs and support costs relating to such activities

Governance costs are shown in the notes to these accounts and include those costs associated with meeting the statutory requirements of the charity and includes its audit fees and costs linked to the strategic management of the charity.

Costs are recharged to individual activities in proportions agreed by the trustees to reflect the respective absorption by each sector of activities.

1.6 Property, plant and equipment

Property, plant and equipment are initially measured at cost and subsequently measured at cost or valuation, net of depreciation and any impairment losses.

Depreciation is recognised so as to write off the cost or valuation of assets less their residual values over their useful lives on the following bases:

Buildings	50 years straight line
Fixtures, fittings & equipment	4 years straight line
Motor vehicles	4 years straight line

Freehold land is not depreciated.

The gain or loss arising on the disposal of an asset is determined as the difference between the sale proceeds and the carrying value of the asset, and is recognised in the statement of financial activities.

Only vehicles and new items of an individual value in excess of £2,500, where the estimated useful economic life exceeds 4 years, are capitalised by the charity.

1.7 Impairment of non-current assets

At each reporting end date, the Charity reviews the carrying amounts of its tangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any).

1.8 Cash and cash equivalents

Cash and cash equivalents include cash in hand, deposits held at call with banks, other short-term liquid investments with original maturities of three months or less, and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities.

EASTBOURNE & DISTRICT MENCAP LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2021

1 Accounting policies

(Continued)

1.9 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.

Financial instruments are recognised in the Charity's balance sheet when the Charity becomes party to the contractual provisions of the instrument.

Financial assets and liabilities are offset, with the net amounts presented in the financial statements, when there is a legally enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

Basic financial assets

Basic financial assets, which include trade and other receivables and cash and bank balances, are initially measured at transaction price including transaction costs and are subsequently carried at amortised cost using the effective interest method unless the arrangement constitutes a financing transaction, where the transaction is measured at the present value of the future receipts discounted at a market rate of interest. Financial assets classified as receivable within one year are not amortised.

Basic financial liabilities

Basic financial liabilities, including trade and other payables and bank loans are initially recognised at transaction price unless the arrangement constitutes a financing transaction, where the debt instrument is measured at the present value of the future payments discounted at a market rate of interest. Financial liabilities classified as payable within one year are not amortised.

Debt instruments are subsequently carried at amortised cost, using the effective interest rate method.

Trade payables are obligations to pay for goods or services that have been acquired in the ordinary course of operations from suppliers. Amounts payable are classified as current liabilities if payment is due within one year or less. If not, they are presented as non-current liabilities. Trade payables are recognised initially at transaction price and subsequently measured at amortised cost using the effective interest method.

Derecognition of financial liabilities

Financial liabilities are derecognised when the Charity's contractual obligations expire or are discharged or cancelled.

1.10 Employee benefits

If material, the cost of any unused holiday entitlement is recognised in the period in which the employee's services are received.

Termination benefits are recognised immediately as an expense when the company is demonstrably committed to terminate the employment of an employee or to provide termination benefits.

1.11 Retirement benefits

Pension contributions made into a Defined Contribution pension scheme are recognised when made.

1.12 Funds held as custodian trustee

The charity currently holds monies of behalf of some residents as custodian trustees. This is a temporary arrangement until the local authority can formally take over this responsibility. In the meantime, these amounts are separately identified in the charity's accounting records. These monies are not assets of the charity and therefore the relevant bank balance and corresponding creditors have been eliminated from the accounts.

EASTBOURNE & DISTRICT MENCAP LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2021

2 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 where the revision affects only that period, or in the period of the revision and future periods where the revision affects both current and future periods.

3 Donations and legacies

	Unrestricted funds general 2021 £	Unrestricted funds designated 2021 £	Total 2021 £	Unrestricted funds general 2020 £	Unrestricted funds designated 2020 £	Total 2020 £
Donations and gifts	103	20,032	20,135	19,036	8,388	27,424
Legacies receivable	-	10,000	10,000	-	-	-
	<u>103</u>	<u>30,032</u>	<u>30,135</u>	<u>19,036</u>	<u>8,388</u>	<u>27,424</u>

EASTBOURNE & DISTRICT MENCAP LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2021

4 Charitable activities

	Homes	Day services	Total 2021	Total 2020
	2021	2021		
	£	£	£	£
Services provided under contract	1,761,893	160,690	1,922,583	1,935,061
Grants	66,583	5,000	71,583	-
Charitable rental income	-	-	-	60
	<u>1,828,476</u>	<u>165,690</u>	<u>1,994,166</u>	<u>1,935,121</u>
Analysis by fund				
Unrestricted funds - general	1,828,426	-	1,828,426	1,698,466
Unrestricted funds - designated	50	165,690	165,740	236,655
	<u>1,828,476</u>	<u>165,690</u>	<u>1,994,166</u>	<u>1,935,121</u>
For the year ended 31 March 2020				
Unrestricted funds - general	1,698,406	60		1,698,466
Unrestricted funds - designated	15,401	221,254		236,655
	<u>1,713,807</u>	<u>221,314</u>		<u>1,935,121</u>

5 Other trading activities

	Total 2021 £	Unrestricted funds designated 2020 £
Fundraising events	-	1,396
	<u>-</u>	<u>1,396</u>

6 Investments

	Unrestricted funds general 2021 £	Unrestricted funds general 2020 £
Interest receivable	117	651
	<u>117</u>	<u>651</u>

EASTBOURNE & DISTRICT MENCAP LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2021

7 Other income

	Unrestricted funds general 2021 £	Unrestricted funds designated 2021 £	Total 2021 £	Unrestricted funds general 2020 £
Net gain on disposal of tangible fixed assets	-	293,033	293,033	700
Other income	8	-	8	-
Government grants	25,143	-	25,143	-
	<u>25,151</u>	<u>293,033</u>	<u>318,184</u>	<u>700</u>

Government grants received during the year consisted of:

Business Support grant	£10,000
Coronavirus Job Retention Scheme grants	£15,143

EASTBOURNE & DISTRICT MENCAP LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2021

8 Charitable activities

	Homes 2021 £	Day services 2021 £	Total 2021 £	Homes 2020 £	Day services 2020 £	Total 2020 £
Staff costs	1,246,449	97,477	1,343,926	1,390,370	135,532	1,525,902
Depreciation and impairment (See note 12)	86,742	600	87,342	36,418	600	37,018
Direct costs	55,648	7,720	63,368	65,005	26,174	91,179
Rent and rates	16,833	2,645	19,478	9,913	243	10,156
Insurance costs	11,022	1,945	12,967	9,958	1,225	11,183
Light and heat	25,400	2,416	27,816	31,161	-	31,161
Repairs and renewals	36,158	24,763	60,921	41,507	6,991	48,498
Telephone costs	9,785	1,074	10,859	8,482	-	8,482
Printing, postage, stationery and computer costs	21,285	1,828	23,113	13,160	93	13,253
Motor expenses	22,200	-	22,200	31,154	-	31,154
Travel costs	179	-	179	318	8	326
Sundry and other expenditure	18,358	1,824	20,182	16,384	1,347	17,731
	<u>1,550,059</u>	<u>142,292</u>	<u>1,692,351</u>	<u>1,653,830</u>	<u>172,213</u>	<u>1,826,043</u>
Share of support costs (see note 9)	147,038	25,948	172,986	166,556	29,393	195,949
Share of governance costs (see note 9)	6,857	1,210	8,067	10,501	1,853	12,354
	<u>1,703,954</u>	<u>169,450</u>	<u>1,873,404</u>	<u>1,830,887</u>	<u>203,459</u>	<u>2,034,346</u>
Analysis by fund						
Unrestricted funds - general	1,593,070	26,890	1,619,960	1,761,373	30,903	1,792,276
Unrestricted funds - designated	110,884	142,560	253,444	69,514	172,556	242,070
	<u>1,703,954</u>	<u>169,450</u>	<u>1,873,404</u>	<u>1,830,887</u>	<u>203,459</u>	<u>2,034,346</u>

EASTBOURNE & DISTRICT MENCAP LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2021

9 Support costs

	Support costs £	Governance costs £	2021 £	Support costs £	Governance costs £	2020 £
Staff costs	141,680	-	141,680	147,537	-	147,537
Depreciation	2,285	-	2,285	2,285	-	2,285
Direct costs	2,915	-	2,915	5,014	-	5,014
Insurance	-	-	-	1,225	-	1,225
Light and heat	981	-	981	4,303	-	4,303
Repairs and renewals	121	-	121	1,148	-	1,148
Telephone	3,730	-	3,730	4,886	-	4,886
PPS and computer costs	17,735	-	17,735	19,698	-	19,698
Sundry costs	3,539	-	3,539	9,853	-	9,853
Audit fees	-	5,052	5,052	-	6,583	6,583
Accountancy	-	1,068	1,068	-	3,968	3,968
Legal and professional	-	1,947	1,947	-	1,803	1,803
	<u>172,986</u>	<u>8,067</u>	<u>181,053</u>	<u>195,949</u>	<u>12,354</u>	<u>208,303</u>
Analysed between						
Charitable activities	<u>172,986</u>	<u>8,067</u>	<u>181,053</u>	<u>195,949</u>	<u>12,354</u>	<u>208,303</u>

Governance costs includes payments to the auditors of £5,052 (2020- £6,583) for audit fees and £1,068 for accountancy fees and other services (2020- £3,968).

10 Trustees

None of the Trustees (or any persons connected with them) received any remuneration during the year.

During the year, no Trustees were reimbursed for any expenses (2020- no Trustees were reimbursed for any expenses).

The charity was under the control of the directors throughout the year.

EASTBOURNE & DISTRICT MENCAP LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2021

11 Employees

Number of employees

The average monthly number of employees during the year was:

	2021 Number	2020 Number
Administration staff	5	5
Direct and support staff	74	67
	<u>79</u>	<u>72</u>

Employment costs

	2021 £	2020 £
Wages and salaries	1,234,172	1,228,784
Social security costs	82,541	83,049
Other pension costs	20,753	20,753
	<u>1,337,466</u>	<u>1,332,586</u>

The remuneration paid to Key Management Personnel amounted to £57,963 (2020: £58,237) during the year.

Due to the nature of the charity's operations, it is often necessary for agency staff to be engaged to cover staff shortages. The charity engages agency staff via reputable agencies. The agency staff used have the relevant skills and abilities required so as to maintain the charity's high standards. These individuals are employed by the agencies, who retain all responsibilities and requirements associated with employment. These include, but are not limited to, remuneration packages, disciplinary procedures, holiday entitlements and employment law considerations. The total costs for agency staff during the year was £148,140 (2020: £340,853).

The charity operates a Defined Contribution pension scheme. During the year, employer contributions into the scheme amount to £20,753 (2020: £20,753).

During the year total redundancy payments of £2,500 (2020: £9,050) was paid to former employees.

There were no employees whose annual remuneration was £60,000 or more.

12 Impairments

Impairment tests have been carried out where appropriate and the following impairment losses have been recognised in profit or loss:

	2021 £	2020 £
In respect of:		
Property, plant and equipment	<u>58,370</u>	<u>-</u>

EASTBOURNE & DISTRICT MENCAP LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2021

12 Impairments

(Continued)

The charity has spent a total of £525,622 renovating one of its properties, 4 Mill Road. The costs related to this renovation have been capitalised and included as Assets under Construction. At the end of the year, Assets under Construction were transferred to freehold property and the trustees undertook an impairment review of the renovated property. As a result of this review, the trustees consider that the original cost of the property plus the renovations costs exceed the property's present market value by £58,370. This amount has been charged to the Statement of Financial Activities under Charitable Activities.

13 Property, plant and equipment

	Buildings	Assets under construction	Fixtures, fittings & equipment	Motor vehicles	Total
	£	£	£	£	£
Cost					
At 1 April 2020	1,723,049	37,554	83,779	43,471	1,887,853
Additions	525,622	488,068	-	-	1,013,690
Disposals	(462,500)	-	-	-	(462,500)
Other changes	-	(525,622)	-	-	(525,622)
At 31 March 2021	1,786,171	-	83,779	43,471	1,913,421
Depreciation and impairment					
At 1 April 2020	275,186	-	62,299	39,037	376,522
Depreciation charged in the year	18,482	-	8,342	4,434	31,258
Impairment losses	58,370	-	-	-	58,370
Eliminated in respect of disposals	(74,463)	-	-	-	(74,463)
At 31 March 2021	277,575	-	70,641	43,471	391,687
Carrying amount					
At 31 March 2021	1,508,596	-	13,138	-	1,521,734
At 31 March 2020	1,447,863	37,554	21,480	4,434	1,511,331

More information on the impairment arising in the year is given in note 12.

All of the above assets are held for the charity's own use on direct charitable activities.

The charity owns the reversionary rights to the property known as Arundel Road.

The assets under construction relate to the redevelopment works at Sedgemoor.

EASTBOURNE & DISTRICT MENCAP LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2021

14 Trade and other receivables

	2021 £	2020 £
Amounts falling due within one year:		
Trade receivables	35,269	13,827
Other receivables	576,702	3,314
Prepayments and accrued income	110,396	2,262
	<u>722,367</u>	<u>19,403</u>

15 Borrowings

	2021 £	2020 £
Bank loans	50,000	-
Payable within one year	8,333	-
Payable after one year	41,667	-

16 Current liabilities

	Notes	2021 £	2020 £
Bank loans	15	8,333	-
Other taxation and social security		26,523	23,504
Trade payables		158,555	63,084
Other payables		3,945	5,994
Accruals and deferred income		82,220	15,000
		<u>279,576</u>	<u>107,582</u>

The charity currently holds monies of behalf of some residents as custodian trustees. This is a temporary arrangement until the local authority can formally take over this responsibility. In the meantime, these amounts are separately identified in the charity's accounting records. These monies are not assets of the charity and therefore the relevant bank balance and corresponding creditors totaling £21,592 (2020: £29,735) have been eliminated from the accounts.

17 Non-current liabilities

	Notes	2021 £	2020 £
Bank loans	15	41,667	-

EASTBOURNE & DISTRICT MENCAP LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2021

18 Designated funds

The income funds of the charity include the following designated funds which have been set aside out of unrestricted funds by the trustees for specific purposes:

	Balance at 1 April 2019 £	Movement in funds			Balance at 1 April 2020 £	Movement in funds			Transfers £	Balance at 31 March 2021 £
		Incoming resources £	Resources expended £	Transfers £		Incoming resources £	Resources expended £	Transfers £		
Sedgemoor and Framley residents	5,559	1,788	(1,693)	-	5,654	16,089	(7,071)	-	-	14,672
Hive of Activity	4,183	222,650	(166,118)	-	60,715	165,743	(118,855)	(95,603)	-	12,000
Minibus fund	36,891	15,401	(31,154)	-	21,137	49	(22,200)	1,014	-	-
Functional fixed asset fund	1,491,786	-	(39,304)	58,849	1,511,331	293,033	(89,628)	(193,002)	1,521,734	-
Meeting and sensory room	(136)	-	-	-	(136)	-	-	136	-	-
Sedgemoor and Framley lift	1,494	-	-	-	1,494	-	-	(1,494)	-	-
Drama	1,000	6,600	(3,802)	-	3,799	227	(300)	-	3,726	-
Sedgemoor and Framley redevelopment	-	-	-	-	-	-	(3,823)	3,823	-	-
Greensleeves residents	-	-	-	-	-	11,635	(11,214)	-	421	-
Arundel Road residents	-	-	-	-	-	2,029	(353)	-	1,676	-
	1,540,777	246,439	(242,071)	58,849	1,603,994	488,805	(253,444)	(285,126)	1,554,229	

Sedgemoor and Framley, Greensleeves and Arundel Road Residents Funds were established to hold funds to be used for residents' welfare. These funds were initially set up when money started being donated to the Home rather than the Society. This has always been considered a designated fund rather than a restricted one as a resident may move on after a donation is received and before it is spent.

The Hive of Activity Fund was established to hold donations, gifts and funds received towards the costs of the day service. This fund was initially set up when the Society received a grant from the National Lottery towards the running costs of the day service for the first three years after it was set up.

EASTBOURNE & DISTRICT MENCAP LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2021

18 Designated funds

(Continued)

The Minibus Fund was established to hold donations, gifts and funds to pay for the transport, including replacement of the vehicles, used by the residents in the charity's homes. Due to the source of these donations this fund does not pay for the transport or replacement of vehicles used for the day services. Now that this fund has been fully utilised, a final fund transfer has been done to cover any excess expenditure from unrestricted funds.

The Functional fixed asset fund was established to exclude funds held as functional fixed assets from general reserves. This is to recognise that these assets are used operationally and their disposal would adversely impact on the charity's ability to deliver its aims. The expense from this fund represents the depreciation charged during the year. The transfer to this fund represents fixed assets purchased/sold during the year.

The Meeting & Sensory room fund relates to monies donated and subsequently spent to launch and run the Meeting & Sensory room. Now that this project has been finalised, the overdrawn balance has been cleared by a transfer between funds at the end of the year.

The Sedgemoor and Framley redevelopment and lift funds represents monies raised towards the substantial work required at Sedgemoor & Framley. Some of these monies were released to unrestricted funds during the year, as the trustees re-evaluated the requirement for this project. These projects have now been finalised, and any remaining fund balances have been transferred to unrestricted funds.

The Drama fund has been designated by the Trustees for the drama performances and shows put on by The Hive.

EASTBOURNE & DISTRICT MENCAP LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2021

19 Analysis of net assets between funds

	Unrestricted funds	Designated funds	Total	Unrestricted funds	Designated funds	Total
	2021	2021	2021	2020	2020	2020
	£	£	£	£	£	£
Fund balances at 31 March 2021 are represented by:						
Property, plant and equipment	-	1,521,734	1,521,734	-	1,511,331	1,511,331
Current assets/ (liabilities)	691,113	32,495	723,608	130,483	92,663	223,146
Long term liabilities	(41,667)	-	(41,667)	-	-	-
	<u>649,446</u>	<u>1,554,229</u>	<u>2,203,675</u>	<u>130,483</u>	<u>1,603,994</u>	<u>1,734,477</u>

20 Financial commitments, guarantees and contingent liabilities

Should the property known as 'Greensleeves', Friday Street, be sold with planning permission for change of use prior to April 2043, 70% of the resultant applicable increase in value will be payable to Eastbourne Borough Council.

The Society sees its overall commitment in terms of providing a "Home for Life" for those with learning disabilities. Due to its long term and uncertain nature it is not possible to quantify this commitment.

The charity is currently in negotiations with Southdown Housing who own the leasehold on the property at Arundel Road. There is currently a dispute over the level of the annual management charge. Additional amounts may become payable in this regard, but at present this liability can not be accurately valued and therefore has not been included in the accounts.

21 Operating lease commitments

At the reporting end date the Charity had outstanding commitments for future minimum lease payments under non-cancellable operating leases, which fall due as follows:

	2021 £	2020 £
Within one year	14,074	19,185
Between two and five years	15,300	31,533
	<u>29,374</u>	<u>50,718</u>

Total lease payments made during the year amounted to £13,545 and these are included within the appropriate category of expenditure in the Statement of Financial Activities.

EASTBOURNE & DISTRICT MENCAP LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2021

22 Related party transactions

Transactions with related parties

During the year the total donations received by trustees amounted to £Nil (2020: £Nil).

Some trustees have close family members who are residents/users of the charity's services, and one of the residents is also a trustee of the charity. The board have decided it is in the charity's best interest for a resident to be a part of the board so that they can adequately meet the needs and requirements of the residents. In these instances the standard rates are charged to these individuals.

23 Cash generated from operations	2021 £	2020 £
Surplus/(deficit) for the year	469,198	(69,054)
Adjustments for:		
Investment income recognised in statement of financial activities	(117)	(651)
Gain on disposal of property, plant and equipment	(293,033)	(700)
Depreciation and impairment of property, plant and equipment	89,628	39,302
Movements in working capital:		
(Increase)/decrease in trade and other receivables	(702,964)	31,031
Increase/(decrease) in trade and other payables	163,661	(9,928)
Cash absorbed by operations	(273,627)	(10,000)

24 Analysis of changes in net funds

	At 1 April 2020 £	Cash flows £	At 31 March 2021 £
Cash at bank and in hand	311,325	(30,508)	280,817
Loans falling due within one year	-	(8,333)	(8,333)
Loans falling due after more than one year	-	(41,667)	(41,667)
	311,325	(80,508)	230,817