



**Plummer Parsons**  
Chartered Accountants

Charity registration number 1125686

Company registration number 06182982 (England and Wales)

**EASTBOURNE & DISTRICT MENCAP LIMITED**  
**ANNUAL REPORT AND FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 MARCH 2022**

Chartered Accountants  
& Statutory Auditor

# **EASTBOURNE & DISTRICT MENCAP LIMITED**

## **LEGAL AND ADMINISTRATIVE INFORMATION**

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<b>Trustees</b>	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 Mrs L Fennell	(Appointed 7 March 2022)
<b>Secretary</b>	Mrs M J Thurstan	
<b>Charity number</b>	1125686	
<b>Company number</b>	06182982	
<b>Principal address</b>	113 Pevensey Road Eastbourne East Sussex BN22 8AD	
<b>Registered office</b>	113 Pevensey Road Eastbourne East Sussex BN22 8AD	
<b>Auditor</b>	Plummer Parsons 18 Hyde Gardens Eastbourne East Sussex BN21 4PT	
<b>Solicitors</b>	Gaby Hardwicke 33 The Avenue Eastbourne East Sussex BN21 3YD	

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# **EASTBOURNE & DISTRICT MENCAP LIMITED**

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# **EASTBOURNE & DISTRICT MENCAP LIMITED**

## **TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT)**

### **FOR THE YEAR ENDED 31 MARCH 2022**

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The Trustees present their report and accounts for the year ended 31 March 2022.

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 objectives of Eastbourne & District Mencap Limited are:

- The relief and care of service users with a learning disability providing help and support for them, their families, dependants and carers.
- The provision of facilities for recreation and leisure activities for service users who have a need as a result of their learning disability with the object of improving the quality of life.

#### Ensuring our work delivers our aims

It is our aim to put service users at the centre of their own care and with continued assessment and collaboration we strive to provide fulfilling and rewarding lives. Our key objectives are:

- To remain compliant with the latest legislation and company policies.
- To ensure support practice is to the highest quality.
- To ensure support staff receive adequate training to fulfil their roles.
- To promote environments which are professional in service creating a homely atmosphere.
- To promote honesty, integrity and transparency.
- To continuously review, assess and promote independence and good quality of life.
- To work in partnership with outside agencies to ensure optimum care is delivered.
- To offer comprehensive support and supervision and the opportunity to build careers within the company through training, study and personal development plans.
- To ensure there are evidence-based quality assurance systems in place to promote learning, change and improvement.
- To actively encourage relatives and friends of service users to be involved in their lives.
- To ensure service users have the opportunity to be fully involved in the planning and delivery of their own care.
- To ensure service users rights to privacy, refusal, dignity and are respected to the highest regard.

We review our aims, objectives and activities annually looking at our achievements and the outcomes of our work in the previous 12 months. Our review looks at the success of each key activity with the benefits they have brought to those groups of people we are established to help. The review also ensures that we remain focussed on our stated objectives at all times and with reference to the guidance contained in the Charity Commission's 'General Guidance on Public Benefit' we focus on planning our future activities to enhance the welfare of our service users. We strongly believe in supporting and encouraging our service users to exercise their own beliefs, but do not feel we can or should advance.

#### Focus and Values

Our ethos and values are the foundation of everything we do. We constantly work to guarantee that we are recognised as a provider that offers compassion, dedication and a strong commitment to delivering the highest standards of individualised care and support and to ensure that all practices are relevant, of the highest quality, are appropriate and specific to the needs of each service user. Our key values for all service users are:

**Choice** - We ensure that our service users receive the best possible support they can get to enable them to make decisions and have choice.

**Privacy** - We ensure that our service users have the right to privacy on their own terms.

**Partnership** - We ensure we work in collaboration with the wider community with specialists and other agencies to offer the most effective and comprehensive support packages.

**Independence** - Where possible we activity support our service users to have as much control over their lives as possible to enable them to lead enriching and fulfilling lives.

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# **EASTBOURNE & DISTRICT MENCAP LIMITED**

## **TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT) (CONTINUED)**

### **FOR THE YEAR ENDED 31 MARCH 2022**

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**Evidence Based** - We ensure that all our care and support is consistently delivered and reviewed regularly to find optimum approaches and strategies that are appropriate for the individual's needs.

**Technology** - We use award winning electronic technology to record everything in accordance with current CQC requirements.

**Training** – We ensure our managers and teams receive relevant and appropriate training to deal with the demand and challenges of their roles.

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.

#### Our Services

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.

Our referrals come from various sources including local authorities, family members, colleges and schools. Equal access is important to us as we do not discriminate on access to our services by gender, sexual orientation or ethnicity. We may refuse access to those who have the potential to cause serious disruption to other service users and our teams or, potential service users who's needs we cannot meet or we feel may lack compatibility with others within the service. Our residential services are restricted by the Care Quality Commission to adults over 18.

We are committed to delivering support that is tailored to individual needs by personalising our services as far as this is possible. Our teams work closely with our residential service users and day service users in promoting choice for the activities they wish to participate in. In our homes and day care centre they ensure service users participate in all decision making to empower and encourage involvement. By taking an active role with the necessary support and personalised care in a way they choose helps to meet their needs. We continue to use a digital care management system supplied by Nourish that is personalised around each service user to enable us to deliver an effective and responsive support that records the quality care that we strive to achieve.

The services that we offer are detailed below.

#### Residential Care Homes

The charity runs residential care homes in Eastbourne, 4 Mill Road (Framley), 11 Friday Street (Greensleeves), and 27 Arundel Road which are individually registered by the CQC. As a local charity our priority and preference is to focus our activity locally but if we have vacancies that cannot be filled from our local catchment we will bring in service users from outside the area. The Board believe that attracting service users from outside our area is more favourable than allowing long-term vacancies with the potential financial cost implications.

Service users moving into one of our homes 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. If we become unable to care for them then a move to a nursing or other specialist home may be necessary. We always take this issue very seriously and if the need for a move is deemed necessary we will work very closely with all parties to ensure a suitable place is found. If we are unable to meet the individual needs of a service user notice will be given to the placing authority: the notice period given is 28 days.

# **EASTBOURNE & DISTRICT MENCAP LIMITED**

## **TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT) (CONTINUED)**

**FOR THE YEAR ENDED 31 MARCH 2022**

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### **4 Mill Road (Framley)**

This home provide accommodation for service users with learning and physical disabilities in 10 en-suite bedrooms in single occupancy. The manager and teams continue with the objective of delivering outstanding person-centred care whilst maintaining the service users' individual skills and interests to take an active role within the community joining local churches, volunteer groups and become season ticket holders to the local football team. We continue to receive referrals for people who need higher levels of support who also have a higher degree of mental health challenges.

### **11 Friday Street (Greensleeves)**

This home has 9 single bedrooms with en-suite facilities. We have had single vacancy throughout the year which has been difficult to fill, as being on the first floor it is only suitable for a service user with a degree of mobility. We are seeing a decline in the mobility of service users that puts pressure on our shared communal spaces which become overcrowded and there are times when we are struggling for space. We are continuing to re-negotiate care packages with ESCC to increase funding to satisfy user needs due to the increased demands on the staff at the home.

### **27 Arundel Road**

This home has 9 service users and is fully currently occupied. The manager and team in this service have worked hard to address long standing health issues with the service users resulting in improved life change to all. There has been positive management of the increase in service user demands and the home has been successful in re-negotiating fees with ESCC to enable increased 1:1 support.

During the year negotiations were completed with Southdown Housing assigning the leasehold at 27 Arundel Road to Eastbourne Borough Council who are now responsible for the lease. The charity will continue to carry out improvements to the service and our occupancy will continue rent free.

### **Supported Living**

#### **9 Friday Street (Holmworth)**

The charity provides supported accommodation for two adults with a learning disability in a bungalow under a tenancy agreement with the funding for this provided by housing benefit. Each tenant has an individual contract which will allow them to decide how they receive their support.

The Trustees believe there will be an increase in demand for supported living for people with learning disabilities in the future particularly those who are older and those who require high levels of support we will be look towards developing our supported living provision in the future.

### **Day Care Services**

#### **The Hive, 113 Pevensy Road**

Our Day Care Centre in Eastbourne provides meaningful workshops and activities for learning disability users and respite for their respective carer in the community. The various activities are chosen by those who attend in order to support their needs and is available for use by individuals with learning disabilities in the community. The service is funded by the services users either from East Sussex County Council with contracts to provide the service or from personal support.

Having seen a reduction in the number of users when opening after Covid-19 The Hive has seen a return to normal levels with user confidence returning. The manager and team has worked hard to increase the profile of our day care services with the result that attendance is currently near full capacity with continued demand. We are though noticing that a lot of the referrals we are receiving are for those service users that require a higher level of support which is difficult to accommodate.

We have been working with the government Kickstart Scheme programme during the year which provides funding to create new jobs for 16 to 24 year olds on Universal Credit who are at risk of long term unemployment. We are currently supporting one person at The Hive on this scheme.

# **EASTBOURNE & DISTRICT MENCAP LIMITED**

## **TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT) (CONTINUED)**

### **FOR THE YEAR ENDED 31 MARCH 2022**

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A grant from the Devonshire West big lottery has been received for £8,034 to enable us to work in partnership with another local community group - Our Neighbourhood - to fund a social enterprise project in Eastbourne to teach a group of people attending the day care centre skills in the hospitality industry. This enterprise is called the New Leaf Café and it opens once a week to provide a two course lunch and is becoming a popular activity attracting a lot of interest in the community.

The Hive runs a programme of comprehensive workshops which are held 5 days a week for in blocks of 6-week sessions throughout the year which continue to prove successful with our service users. Between 20 to 35 attending daily enjoying a choice of up to 25 activities which take place in small groups selected by the service users and are designed for all attending to achieve an end goal. Each workshop has a step-by-step detailed plan which is discussed with the service users at the beginning of every session. They are tailored to individuals needs so that everyone attending is engaged, able to contribute and derive personal benefit especially with those that involve going out into the wider community.

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'.

#### Headquarters

Our head office support centre for the management and administration of the Charity continues to be the first-floor office accommodation in 113 Pevensey Road.

#### Our Community

##### Networking

We continue have working relationships with various groups throughout the year, including East Sussex County Council Support, The Job Centre, St Wilfred's Hospice, Chamber of Commerce, Leaf Hall and Disability Confident, we also ensure our attendance at various liaison meetings and provider forums in the voluntary sector. During the year we have become a member of the East Sussex Registered Care Home Association to enable us to seek further support and obtain relevant information when we looking into current changes that will affect us. We have also engaged with the local college to offer work experience to students working toward a qualification in adult social care throughout our services. It is critical importance to maintaining a close working relationship with our key stakeholders, ESCC and the CQC. Our CEO is in close contact with both to ensure we remain aligned.

##### Branding and Social Media

We continue to feel that the reference to Mencap restricts our fund-raising potential as people are unaware that we are independent from the national Mencap charity; our intended rebranding has not proceeded as intended. A consensus was reached by the membership on the concept of a name change but it was not reached as to what that name would be and it was felt the membership were not given sufficient involvement with the exercise. Due to the Covid-19 virus this has been put on hold but will be addressed further at the next AGM.

We have seen a rise in our social media engagement on our Facebook page and we have used this platform to promote Eastbourne Mencap to increase its profile and its services and to advertise for job vacancies. We will be looking to update our website content in the near future.

#### Staff & Training

##### Recruitment

There are considerable pressure industry pressures surrounding recruitment and retention of staff which we are not immune to. We have taken steps to improve our terms of employment which has had a positive impact and strive to employ the best staff available to us but unfortunately we still have vacancies to fill.

##### 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; from the start the charity has always exceeded any of the requirements.

# **EASTBOURNE & DISTRICT MENCAP LIMITED**

## **TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT) (CONTINUED)** **FOR THE YEAR ENDED 31 MARCH 2022**

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We have developed a yearly training programme with the support from On Target Training and other providers to ensure that all of the staff have the opportunity to attend regular training. New staff that join the organisation undergo an intensive induction programme before they can commence hands on work. Alongside the ESCC training portal to access staff training we now have the use of internet based training provided by Hippo and have found this to be very effective as staff can undertake training at any time and it enable us to provide comprehensive training to new employees during their induction period.

We are encouraged by the strength of the management team who all have specific area of expertise and interest that benefit the Charity and we continue to encouraging them to take the lead in delivering and developing specific training areas. Training and personal development needs are discussed with staff during supervision and yearly appraisal when staff are encouraged to attend additional training for personal development and to benefit to Charity in the service it provides. During the year we have enrolled our manager at Arundel Road on an NVQ Level 5 course, and we congratulate our manager from Greensleeves who has successfully completed the NVQ Level 5. We have also enrolled 6 staff members on a NVQ Level 3 course. Funding for these NVQ courses is subsidised by government grant.

### **Achievements and performance**

The core operational challenges for the 2021/22 have continued to revolve around the impacts of the Covid-19 pandemic with staffing challenges and increased costs of managing the virus; those costs increases have been mitigated in part by Government 'Covid' funding paid by ESCC. Turnover from charitable services provided is slightly up on the previous year at £2,052,945 with reported deficit for 2021/22 of £86,062 which though disappointing would have been more unfavourable without the funding received. The increasing care needs of our residents, the lack of 'appropriate' funding and the increasing regulatory environment in which we operate continues to be a significant factor that affects the financial performance of the Charity. Going forwards into 2022/23 we are hopeful for an easing of this pressure following assurances from Government that additional funding would be made available to our sector.

We continue to negotiate with ESCC regarding our current bed fees and the changing needs of the service users within our residential services. Each service user is assessed individually but historically this has not been carried out with the regularity that it should be so the costs of running our services, have run ahead of the fees we receive. This is of a greater concern moving into 2022/23 as the significant increase in costs throughout the economy are yet to be felt. We have therefore put into place improved financial management processes and budgetary controls with management input which we trust will benefit the Charity going forwards.

There continues to be a long-term reliance on agency staff to support the business specifically during these challenging periods resulting in a spend of £286k for 2021/22 a considerable increase on the previous year. The loss of staff in our homes due to the government's decision to only allow vaccinated staff to be able to work in residential services left us with staff shortages so the need to use agency staff increased. It remains a primary focus for 2022 /23 to reduce our dependence on the use of agency staff and to continually review the levels of pay for all staff to ensure where possible we have a pay structure to attract and retain staff.

Our other primary focus for 2022/23 is to ensure all rooms are occupied as the financial consequence of lost fees has a critical impact on the financial performance of the Charity.

The continual increase in the number of service users that use our day service and attend workshops together with the positive management we look towards increasing this source of income in 2022/23.

There have been no significant donations or legacies received during the year to be advised in this report.

### **Covid-19**

We are still having to deal with the additional pressures of the Covid-19 virus within all of our services with Mill Road in crisis over the Christmas period. Support was given by ESCC to allow the home to continue to provide the service and we received additional support with infection control and providing meals. All managers, staff and service users have coped exceptionally well in these trying times and everybody has pulled together as an organisation to manage these challenges. In continuing to manage Covid-19 we maintain the following actions:



# EASTBOURNE & DISTRICT MENCAP LIMITED

## TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT) (CONTINUED)

### FOR THE YEAR ENDED 31 MARCH 2022

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- Risk assessments for staff and service users - reviewed fortnightly.
- PPE equipment is worn at all times.
- During lockdown only staff employed to work in the home are allowed to enter.
- Staff who showed signs of Covid-19 must self-isolate.
- Infection control measures with additional hand sanitiser and handwashing facilities provided.
- Regular staff updates and training on Covid-19 measures.
- Weekly letters, telephone calls and Skype meetings between service users and family members so they can remain in contact.
- Action plans so that the homes have clear guidance to follow should the need arise.

#### Financial review

Donations and legacies amounted to £6k in the year – a reduction on the previous year

Our total income for the year was £2,068k down £273k compared to the previous year 2020/21. However the previous years results included 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 £1,941k up very slightly from the prior year. Our core expenditure was £2,154k up by £281k 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 Charities reserves is to secure the future of our services, to fund projects and to fund future building needs to meet the needs of our service users. 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.

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 £300,000 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 £551,392 which is slightly above the minimal target set.

Total funds at the end of the year amounted to £2,117,613 of which £1,561,283 was designated. Of these designated funds £1,526,734 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 restricted funds of £4,938 at the end of the year. These funds represent the balance of monies received from the Devonshire West Big Local Board for The Leaf Hall Project. This is a social enterprise project run in conjunction with Our Neighbourhood to enable service users to experience working in the community.

Cash and Cash Equivalents have increased to £749,871 from £280,817. 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.

# **EASTBOURNE & DISTRICT MENCAP LIMITED**

## **TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT) (CONTINUED)**

### **FOR THE YEAR ENDED 31 MARCH 2022**

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#### Funding

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 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 carries out monthly checks to ensure policies, procedures and safeguarding issues are being correctly carried out and recorded.

Our current focus moving forwards are:

- Recruiting and retaining good quality staff to reduce the impact of agency costs.
- Maximising our income streams at all times with full occupancy and to work in consultation with ESCC to uplift service user fees to appropriate levels.
- 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.
- Continued review of our main charitable objectives so they remain relevant and in tune with the founding principles, also ensuring they are achievable.

#### **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.

The current Trustees are:

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

Mrs L Fennell

(Appointed 7 March 2022)

# **EASTBOURNE & DISTRICT MENCAP LIMITED**

## **TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT) (CONTINUED)** **FOR THE YEAR ENDED 31 MARCH 2022**

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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 seven 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 made a donation at least equivalent to the expenses claimed.

The Management Committee seeks to ensure that the needs of the learning disabled are reflected through diversity on the Trustees body.

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.

# **EASTBOURNE & DISTRICT MENCAP LIMITED**

## **TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT) (CONTINUED)**

**FOR THE YEAR ENDED 31 MARCH 2022**

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### **Asset cover for funds**

Note 21 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. These monies are not assets of the charity and therefore the bank balances and corresponding creditors have been eliminated from the accounts.

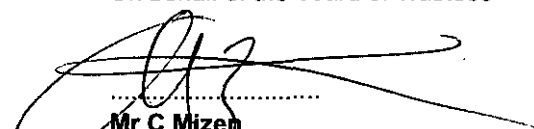
### **Auditor**

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 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: ..... 14.2.2022

# **EASTBOURNE & DISTRICT MENCAP LIMITED**

## **STATEMENT OF TRUSTEES' RESPONSIBILITIES**

***FOR THE YEAR ENDED 31 MARCH 2022***

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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

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#### Opinion

We have audited the financial statements of Eastbourne & District Mencap Limited (the 'Charity') for the year ended 31 March 2022 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 2022 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**

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#### **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.

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**

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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.

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.



# **EASTBOURNE & DISTRICT MENCAP LIMITED**

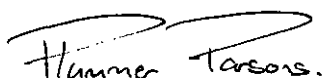
## **INDEPENDENT AUDITOR'S REPORT (CONTINUED)**

### **TO THE TRUSTEES OF EASTBOURNE & DISTRICT MENCAP LIMITED**

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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**

16 December 2022

**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 2022

### Current financial year

		Unrestricted funds general 2022 £	Unrestricted funds designated 2022 £	Restricted funds 2022 £	Total 2022 £	Total 2021 £
	Notes					
<b><u>Income and endowments from:</u></b>						
Donations and legacies	3	3,911	2,054	-	5,965	30,135
Charitable activities	4	2,044,911	-	8,034	2,052,945	1,994,166
Other trading activities	5	-	-	199	199	-
Investments	6	45	-	-	45	117
Other income	7	9,558	-	-	9,558	318,184
<b>Total income</b>		<b>2,058,425</b>	<b>2,054</b>	<b>8,233</b>	<b>2,068,712</b>	<b>2,342,602</b>
<b><u>Expenditure on:</u></b>						
Raising funds	8	2,380	-	-	2,380	-
Charitable activities	9	2,115,184	33,915	3,295	2,152,394	1,873,404
<b>Total expenditure</b>		<b>2,117,564</b>	<b>33,915</b>	<b>3,295</b>	<b>2,154,774</b>	<b>1,873,404</b>
<b>Net (outgoing)/incoming resources before transfers</b>		<b>(59,139)</b>	<b>(31,861)</b>	<b>4,938</b>	<b>(86,062)</b>	<b>469,198</b>
Gross transfers between funds		(38,915)	38,915	-	-	-
<b>Net (expenditure)/income for the year/ Net movement in funds</b>		<b>(98,054)</b>	<b>7,054</b>	<b>4,938</b>	<b>(86,062)</b>	<b>469,198</b>
Fund balances at 1 April 2021		649,446	1,554,229	-	2,203,675	1,734,477
<b>Fund balances at 31 March 2022</b>		<b>551,392</b>	<b>1,561,283</b>	<b>4,938</b>	<b>2,117,613</b>	<b>2,203,675</b>

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 ACTIVITIES (CONTINUED) INCLUDING INCOME AND EXPENDITURE ACCOUNT

FOR THE YEAR ENDED 31 MARCH 2022

Prior financial year

		Unrestricted funds general 2021 £	Unrestricted funds designated 2021 £	Total 2021 £
	Notes			
<b><u>Income and endowments from:</u></b>				
Donations and legacies	3	103	30,032	30,135
Charitable activities	4	1,828,426	165,740	1,994,166
Investments	6	117	-	117
Other income	7	25,151	293,033	318,184
<b>Total income</b>		<b>1,853,797</b>	<b>488,805</b>	<b>2,342,602</b>
<b><u>Expenditure on:</u></b>				
Charitable activities	9	1,619,960	253,444	1,873,404
<b>Total expenditure</b>		<b>1,619,960</b>	<b>253,444</b>	<b>1,873,404</b>
<b>Net (outgoing)/incoming resources before transfers</b>		<b>233,837</b>	<b>235,361</b>	<b>469,198</b>
Gross transfers between funds		285,126	(285,126)	-
<b>Net (expenditure)/income for the year/ Net movement in funds</b>		<b>518,963</b>	<b>(49,765)</b>	<b>469,198</b>
Fund balances at 1 April 2020		130,483	1,603,994	1,734,477
<b>Fund balances at 31 March 2021</b>		<b>649,446</b>	<b>1,554,229</b>	<b>2,203,675</b>

# EASTBOURNE & DISTRICT MENCAP LIMITED

## STATEMENT OF FINANCIAL POSITION

AS AT 31 MARCH 2022

	Notes	2022 £	£	2021 £	£
<b>Fixed assets</b>					
Property, plant and equipment	14		1,526,734		1,521,734
<b>Current assets</b>					
Trade and other receivables	15	81,648		722,367	
Cash at bank and in hand		749,871		280,817	
		831,519		1,003,184	
<b>Current liabilities</b>	17	(208,972)		(279,576)	
Net current assets			622,547		723,608
<b>Total assets less current liabilities</b>			2,149,281		2,245,342
<b>Non-current liabilities</b>	18		(31,668)		(41,667)
<b>Net assets</b>			2,117,613		2,203,675
<b>Income funds</b>					
Restricted funds	19		4,938		-
<u>Unrestricted funds</u>					
Designated funds	20	1,561,283		1,554,229	
General unrestricted funds		551,392		649,446	
			2,112,675		2,203,675
			2,117,613		2,203,675

# **EASTBOURNE & DISTRICT MENCAP LIMITED**

## **STATEMENT OF FINANCIAL POSITION (CONTINUED)**

**AS AT 31 MARCH 2022**

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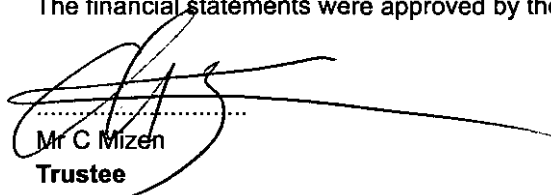
The company is entitled to the exemption from the audit requirement contained in section 477 of the Companies Act 2006, for the year ended 31 March 2022, although an audit has been carried out under section 144 of the Charities Act 2011.

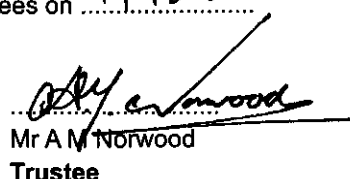
The directors acknowledge their responsibilities for complying with the requirements of the Companies Act 2006 with respect to accounting records and the preparation of financial statements.

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 14.12.22

  
Mr C Mizen  
Trustee

  
Mr A M Norwood  
Trustee

Company registration number 06182982

# EASTBOURNE & DISTRICT MENCAP LIMITED

## STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 31 MARCH 2022

	Notes	2022 £	£	2021 £	£
<b>Cash flows from operating activities</b>					
Cash generated from/(absorbed by) operations	25		511,176		(273,627)
<b>Investing activities</b>					
Purchase of property, plant and equipment		(38,914)		(488,068)	
Proceeds on disposal of property, plant and equipment		5,079		681,070	
Investment income received		45		117	
<b>Net cash (used in)/generated from investing activities</b>			(33,790)		193,119
<b>Financing activities</b>					
(Repayment of)/ receipt of bank loans		(8,332)		50,000	
<b>Net cash (used in)/generated from financing activities</b>			(8,332)		50,000
<b>Net increase/(decrease) in cash and cash equivalents</b>			469,054		(30,508)
Cash and cash equivalents at beginning of year			280,817		311,325
<b>Cash and cash equivalents at end of year</b>			749,871		280,817

# **EASTBOURNE & DISTRICT MENCAP LIMITED**

## **NOTES TO THE FINANCIAL STATEMENTS**

### **FOR THE YEAR ENDED 31 MARCH 2022**

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#### **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 Pevensey 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 time of approving the financial statements, the Trustees have a reasonable expectation that the Charity has adequate resources to continue in operational existence for the foreseeable future. Thus the Trustees continue to adopt the going concern basis of accounting in preparing the financial statements.

##### **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.

Restricted funds are subject to specific conditions by donors as to how they may be used. The purposes and uses of the restricted funds are set out in the notes to the financial statements.

##### **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.
- Other trading 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 2022

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#### 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	25% reducing balance

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 £1,000, 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.

##### 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.



# EASTBOURNE & DISTRICT MENCAP LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### FOR THE YEAR ENDED 31 MARCH 2022

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#### 1 Accounting policies

(Continued)

##### **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 on behalf of some residents as custodian trustees. 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.

#### 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.

# EASTBOURNE & DISTRICT MENCAP LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2022

### 3 Donations and legacies

	Unrestricted funds general 2022 £	Unrestricted funds designated 2022 £	Total 2022 £	Unrestricted funds general 2021 £	Unrestricted funds designated 2021 £	Total 2021 £
Donations and gifts	3,066	2,054	5,120	103	20,032	20,135
Legacies receivable	-	-	-	-	10,000	10,000
Membership fees	845	-	845	-	-	-
	<u>3,911</u>	<u>2,054</u>	<u>5,965</u>	<u>103</u>	<u>30,032</u>	<u>30,135</u>

### 4 Charitable activities

	Homes 2022 £	Day services 2022 £	Total 2022 £	Total 2021 £
Services provided under contract	1,759,406	181,790	1,941,196	1,922,583
Grants	98,481	13,268	111,749	71,583
	<u>1,857,887</u>	<u>195,058</u>	<u>2,052,945</u>	<u>1,994,166</u>
Analysis by fund				
Unrestricted funds - general	1,857,887	187,024	2,044,911	1,828,426
Unrestricted funds - designated	-	-	-	165,740
Restricted funds	-	8,034	8,034	-
	<u>1,857,887</u>	<u>195,058</u>	<u>2,052,945</u>	<u>1,994,166</u>
For the year ended 31 March 2021				
Unrestricted funds - general	1,828,426	-	-	1,828,426
Unrestricted funds - designated	50	165,690	-	165,740
	<u>1,828,476</u>	<u>165,690</u>	<u>-</u>	<u>1,994,166</u>

# EASTBOURNE & DISTRICT MENCAP LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2022

### 5 Other trading activities

	Restricted funds	Total
	2022 £	2021 £
Other trading income	199	-

### 6 Investments

	Unrestricted funds general 2022 £	Unrestricted funds general 2021 £
Interest receivable	45	117

### 7 Other income

	Unrestricted funds general 2022 £	Unrestricted funds general 2021 £	Unrestricted funds designated 2021 £	Total 2021 £
Net gain on disposal of tangible fixed assets	5,079	-	293,033	293,033
Other income	-	8	-	8
Government grants	4,479	25,143	-	25,143
	9,558	25,151	293,033	318,184

Government grants received during the year consisted of:

Business Support grant	£Nil	(2021: £10,000)
Coronavirus Job Retention Scheme grants	£4,479	(2021: £15,143)

### 8 Raising funds

	Unrestricted funds general 2022 £	Total 2021 £
Fundraising and publicity	2,380	-
Other fundraising costs	2,380	-

# EASTBOURNE & DISTRICT MENCAP LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2022

### 9 Charitable activities

	Homes 2022 £	Day services 2022 £	Total 2022 £	Homes 2021 £	Day services 2021 £	Total 2021 £
Staff costs	1,490,971	137,472	1,628,443	1,246,449	97,477	1,343,926
Depreciation and impairment (See note 13)	33,915	-	33,915	86,742	600	87,342
Direct costs	62,725	21,207	83,932	55,648	7,720	63,368
Rent and rates	16,773	350	17,123	16,833	2,645	19,478
Insurance costs	14,298	1,189	15,487	11,022	1,945	12,967
Light and heat	23,149	5,029	28,178	25,400	2,416	27,816
Repairs and renewals	33,334	13,072	46,406	36,158	24,763	60,921
Telephone costs	5,347	1,583	6,930	9,785	1,074	10,859
Printing, postage, stationery and computer costs	12,562	869	13,431	21,285	1,828	23,113
Motor expenses	21,736	13,463	35,199	22,200	-	22,200
Travel costs	3,252	35	3,287	179	-	179
Sundry and other expenditure	20,692	1,083	21,775	18,358	1,824	20,182
	<u>1,738,754</u>	<u>195,352</u>	<u>1,934,106</u>	<u>1,550,059</u>	<u>142,292</u>	<u>1,692,351</u>
Share of support costs (see note 10)	164,182	28,974	193,156	147,038	25,948	172,986
Share of governance costs (see note 10)	21,362	3,770	25,132	6,857	1,210	8,067
	<u>1,924,298</u>	<u>228,096</u>	<u>2,152,394</u>	<u>1,703,954</u>	<u>169,450</u>	<u>1,873,404</u>
<b>Analysis by fund</b>						
Unrestricted funds - general	1,890,383	224,801	2,115,184	1,593,070	26,890	1,619,960
Unrestricted funds - designated	33,915	-	33,915	110,884	142,560	253,444
Restricted funds	-	3,295	3,295	-	-	-
	<u>1,924,298</u>	<u>228,096</u>	<u>2,152,394</u>	<u>1,703,954</u>	<u>169,450</u>	<u>1,873,404</u>

# EASTBOURNE & DISTRICT MENCAP LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2022

### 10 Support costs

	Support costs	Governance costs	2022	Support costs	Governance costs	2021
	£	£	£	£	£	£
Staff costs	137,212	-	137,212	141,680	-	141,680
Depreciation	-	-	-	2,285	-	2,285
Direct costs	13,033	-	13,033	2,915	-	2,915
Light and heat	-	-	-	981	-	981
Repairs and renewals	335	-	335	121	-	121
Telephone	7,696	-	7,696	3,730	-	3,730
PPS and computer costs	27,901	-	27,901	17,735	-	17,735
Sundry costs	6,979	-	6,979	3,539	-	3,539
Audit fees	-	12,702	12,702	-	5,052	5,052
Accountancy	-	2,546	2,546	-	1,068	1,068
Legal and professional	-	9,884	9,884	-	1,947	1,947
	<u>193,156</u>	<u>25,132</u>	<u>218,288</u>	<u>172,986</u>	<u>8,067</u>	<u>181,053</u>
Analysed between						
Charitable activities	<u>193,156</u>	<u>25,132</u>	<u>218,288</u>	<u>172,986</u>	<u>8,067</u>	<u>181,053</u>

Governance costs includes payments to the auditors of £12,702 (2021- £5,052) for audit fees and £2,546 for accountancy fees and other services (2021- £1,068).

### 11 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 (2021- 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 2022

### 12 Employees

#### Number of employees

The average monthly number of employees during the year was:

	2022 Number	2021 Number
Administration staff	4	5
Direct and support staff	70	74
	<u>74</u>	<u>79</u>

#### Employment costs

	2022 £	2021 £
Wages and salaries	1,351,993	1,234,172
Social security costs	102,834	82,541
Other pension costs	24,401	20,753
	<u>1,479,228</u>	<u>1,337,466</u>

The remuneration paid to Key Management Personnel amounted to £68,463 (2021: £64,567 ) 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 £286,423 (2021: £148,140).

The charity operates a defined contribution pension scheme. During the year, employer contributions into the scheme amount to £24,401 (2021: £20,753).

During the year total redundancy payments of £2,448 (2021: £2,500) and termination payments of £6,634 (2021: £Nil) were paid to former employees.

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

### 13 Impairments

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

	2022 £	2021 £
In respect of:		
Property, plant and equipment	<u>-</u>	<u>58,370</u>

# EASTBOURNE & DISTRICT MENCAP LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### FOR THE YEAR ENDED 31 MARCH 2022

#### 13 Impairments

(Continued)

In the previous year the charity spent a total of £525,622 renovating one of its properties, 4 Mill Road. The costs relating to this renovation were capitalised and included as Assets under Construction. At the end of the year to 31 March 2021, 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 was charged to the Statement of Financial Activities under Charitable Activities during the year ending 31 March 2021.

#### 14 Property, plant and equipment

	Buildings	Fixtures, fittings & equipment	Motor vehicles	Total
	£	£	£	£
<b>Cost</b>				
At 1 April 2021	1,786,172	83,779	43,471	1,913,422
Additions	19,274	19,640	-	38,914
Disposals	-	-	(25,736)	(25,736)
At 31 March 2022	1,805,446	103,419	17,735	1,926,600
<b>Depreciation and impairment</b>				
At 1 April 2021	277,575	70,641	43,471	391,687
Depreciation charged in the year	28,504	13,571	(8,160)	33,915
Eliminated in respect of disposals	-	-	(25,736)	(25,736)
At 31 March 2022	306,079	84,212	9,575	399,866
<b>Carrying amount</b>				
At 31 March 2022	1,499,367	19,207	8,160	1,526,734
At 31 March 2021	1,508,596	13,138	-	1,521,734

More information on the impairment arising in the year is given in note 13.

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.

During the year to 31 March 2022, the Trustees agreed to change the method of depreciating its motor vehicles from four years on a straight line basis, to 25% on a reducing balance basis. This revised method has been adopted as it better reflects the entity's consumption of the motor vehicles over their useful lives.

This change has resulted in an adjustment to depreciation in the current year of £8,160.

# EASTBOURNE & DISTRICT MENCAP LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### FOR THE YEAR ENDED 31 MARCH 2022

#### 15 Trade and other receivables

	2022 £	2021 £
Amounts falling due within one year:		
Trade receivables	68,280	35,269
Other receivables	10,143	576,702
Prepayments and accrued income	3,225	110,396
	<u>81,648</u>	<u>722,367</u>

#### 16 Borrowings

	2022 £	2021 £
Bank loans	41,668	50,000
Payable within one year	10,000	8,333
Payable after one year	31,668	41,667

#### 17 Current liabilities

	Notes	2022 £	2021 £
Bank loans	16	10,000	8,333
Other taxation and social security		35,020	26,523
Trade payables		61,229	158,555
Other payables		15,846	3,945
Accruals and deferred income		86,877	82,220
		<u>208,972</u>	<u>279,576</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 £2,093 (2021: £21,592) have been eliminated from the accounts.

#### 18 Non-current liabilities

	Notes	2022 £	2021 £
Bank loans	16	31,668	41,667



# EASTBOURNE & DISTRICT MENCAP LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### FOR THE YEAR ENDED 31 MARCH 2022

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#### 19 Restricted funds

The income funds of the charity include restricted funds comprising the following unexpended balances of donations and grants held on trust for specific purposes:

	Movement in funds		Movement in funds		
	Incoming resources	Balance at 1 April 2021	Incoming resources	Resources expended	Balance at 31 March 2022
	£	£	£	£	£
The Leaf Hall Project	-	-	8,233	(3,295)	4,938
	<u>          </u>	<u>          </u>	<u>          </u>	<u>          </u>	<u>          </u>

The Leaf Hall Project is a social enterprise project delivered by Eastbourne Mencap partnered with Our Neighbourhood to enable our service users to experience working in the community. The project is funded by the Devonshire West Big Local Board created to distribute funds to benefit the local area.

# EASTBOURNE & DISTRICT MENCAP LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2022

### 20 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 2020 £	Movement in funds			Balance at 1 April 2021 £	Movement in funds			Transfers £	Balance at 31 March 2022 £
		Incoming resources £	Resources expended £	Transfers £		Incoming resources £	Resources expended £	Transfers £		
Sedgemoor and Framley residents	5,654	16,089	(7,071)	-	14,672	-	-	-	-	14,672
Hive of Activity	60,715	165,743	(118,855)	(95,603)	12,000	2,054	-	-	-	14,054
Minibus fund	21,137	49	(22,200)	1,014	-	-	-	-	-	-
Functional fixed asset fund	1,511,331	293,033	(89,628)	(193,002)	1,521,734	-	(33,915)	38,915	-	1,526,734
Meeting and sensory room	(136)	-	-	136	-	-	-	-	-	-
Sedgemoor and Framley lift	1,494	-	-	(1,494)	-	-	-	-	-	-
Drama	3,799	227	(300)	-	3,726	-	-	-	-	3,726
Sedgemoor and Framley redevelopment	-	-	(3,823)	3,823	-	-	-	-	-	-
Greensleeves residents	-	11,635	(11,214)	-	421	-	-	-	-	421
Arundel Road residents	-	2,029	(353)	-	1,676	-	-	-	-	1,676
	1,603,994	488,805	(253,444)	(285,126)	1,554,229	2,054	(33,915)	38,915	-	1,561,283

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 2022

#### 20 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 was included in the year ending 31 March 2021 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 ending 31 March 2021.

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 during the year ending 31 March 2021.

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

#### 21 Analysis of net assets between funds

Fund balances at 31 March 2022 are represented by:

	Unrestricted funds	Designated funds	Restricted funds	Total	Unrestricted funds	Designated funds	Total
	2022	2022	2022	2022	2021	2021	2021
	£	£	£	£	£	£	£
Property, plant and equipment	-	1,526,734	-	1,526,734	-	1,521,734	1,521,734
Current assets/(liabilities)	583,060	34,549	4,938	622,547	691,113	32,495	723,608
Long term liabilities	(31,668)	-	-	(31,668)	(41,667)	-	(41,667)
	<u>551,392</u>	<u>1,561,283</u>	<u>4,938</u>	<u>2,117,613</u>	<u>649,446</u>	<u>1,554,229</u>	<u>2,203,675</u>

# EASTBOURNE & DISTRICT MENCAP LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### FOR THE YEAR ENDED 31 MARCH 2022

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#### 22 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.

#### 23 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:

	2022 £	2021 £
Within one year	12,108	14,074
Between two and five years	16,478	15,300
In over five years	5,639	-
	<u>34,225</u>	<u>29,374</u>

Total lease payments made during the year amounted to £14,074 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 2022

### 24 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 has also been 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.

25 Cash generated from operations	2022 £	2021 £
(Deficit)/surplus for the year	(86,062)	469,198
Adjustments for:		
Investment income recognised in statement of financial activities	(45)	(117)
Gain on disposal of property, plant and equipment	(5,079)	(293,033)
Depreciation and impairment of property, plant and equipment	33,914	89,628
Movements in working capital:		
Decrease/(increase) in trade and other receivables	640,719	(702,964)
(Decrease)/increase in trade and other payables	(72,271)	163,661
<b>Cash generated from/(absorbed by) operations</b>	<b>511,176</b>	<b>(273,627)</b>

### 26 Analysis of changes in net funds

	At 1 April 2021 £	Cash flows £	At 31 March 2022 £
Cash at bank and in hand	280,817	469,054	749,871
Loans falling due within one year	(8,333)	(1,667)	(10,000)
Loans falling due after more than one year	(41,667)	9,999	(31,668)
	<b>230,817</b>	<b>477,386</b>	<b>708,203</b>