

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 2023**

# EASTBOURNE & DISTRICT MENCAP LIMITED

## LEGAL AND ADMINISTRATIVE INFORMATION

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<b>Trustees</b>	Mr C Mizen
	Ms N E Trimmer
	Ms M J Thurstan
	Mr A M Norwood
	Ms L Fennell
	Ms M S Stubbs
<b>Secretary</b>	Ms M J Thurstan
<b>Charity number</b>	1125686
<b>Company number</b>	06182982
<b>Registered office</b>	113 Pevensey Road Eastbourne East Sussex England BN22 8AD
<b>Auditor</b>	James Todd & Co Limited 1 & 2 The Barn Oldwick West Stoke Road Lavant Chichester West Sussex England PO18 9AA

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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 2023***

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The trustees present their annual report and financial statements for the year ended 31 March 2023.

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 Eastbourne & District Mencap Limited (the Company) 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.

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 activities 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.

Our key values for all service users are: individuality, equality, freedom and choice.

We provide a service that offers compassion, dedication and a strong commitment to delivering the highest standards of individualised care and support ensuring that all practices of the highest quality, are appropriate to the needs of each individual in our care.

We ensure that all care and support is consistently delivered and regularly reviewed to determine the optimum approach and strategy to support each individual's needs. All managers and teams receive regular training that is relevant and appropriate to deal with the demand and challenges of their roles in providing exceptional quality care and support.

We review our aims 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 individuals we are established to help. The review also ensures that we remain focused on our stated objectives at all times and with reference to the guidance contained in the Company 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 alternative beliefs.

# **EASTBOURNE & DISTRICT MENCAP LIMITED**

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

### **FOR THE YEAR ENDED 31 MARCH 2023**

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#### **Activities**

The Trustees have focused on the Public Benefit guidance issued by the Company Commission in deciding strategies the Company takes to focus on the care and support of those with a learning disability.

Our referrals primarily come from local authorities and family members, our policy of equal access ensures we do not discriminate on any individuals access to our services by gender, sexual orientation or ethnicity: we also ensure that we can meet the needs of a potential service user and that they are 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 and day service users in promoting choice for the activities they wish to participate in. Within our homes and day care centre service users can participate in all decision making and their involvement is always encouraged; by taking an active role with the necessary support and personalised care in a way they choose helps personal development. We 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 Company owns three residential care homes in Eastbourne for individuals with learning and physical disabilities which are individually registered by the CQC. Individuals moving into one of our homes are assured that they can stay for as long as they wish as our policy continues to be that it is 'a home for life' subject to the care and support available to them. All of the service users in our care homes are funded by the Adult Social Care sector: our total bed space for the 3 homes is currently 27.

#### **Supported Living**

The Company owns a bungalow that has provided supported living under a tenancy agreement with the funding for this provided by housing benefit and Adult Social Care. The tenancy agreement ceased in May 2023 with the service user moving to one of our residential care homes. The bungalow is currently up for sale – please see the plans for future periods for more information on this.

#### **Day Care Services**

The Company runs a day care centre known as the Hive in Eastbourne which provides a programme of workshops and activities for individuals with learning disability and to provide respite for families and carers. The various activities are chosen by those who attend in order to support their needs and develop their interactions with other individuals and integration into society. This service is available for use by any individual within the community with learning disabilities, it is funded both by Adult Social Care or the individual/family where funding is not available.

#### **Volunteers**

Our working relationships within the community continued throughout the year, those include East Sussex County Council Support, The Job Centre, St Wilfred's Hospice, Chamber of Commerce, Leaf Hall, Disability Confident, and East Sussex Registered Care Home Association, providing mutual support within the community. Engagement also continues with our key stakeholders ESCC and CQC to ensure we remain aligned in our policies and approach to providing our services.

Students from the local schools and colleges who are working towards a qualification in adult social care have been placed within our services throughout the year and we value the contribution they make and trust they receive valuable experience from us.

# **EASTBOURNE & DISTRICT MENCAP LIMITED**

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

### **FOR THE YEAR ENDED 31 MARCH 2023**

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#### **Achievements and performance**

##### **Significant activities and achievements against objectives**

During 202/23 Eastbourne Mencap was privileged to be one of the Mayor of Eastbourne's chosen Charity during his term in office. Many fundraising events were held throughout the year via the Mayors office resulting in a total of £10,588 funds raised for the Company. The Trustees would like to thank the Mayor of Eastbourne and all who supported this successful fundraising campaign.

The Trustees continue to appreciate the support the company receives from the public who have given donations and legacies.

#### **Financial review**

Results for the financial year 31 March 2023 are attached to this report outlining that the costs of running our services continue to be far greater than the income we receive. Over 90% of the £2.217m turnover is from Adult Social Care (via Local Authorities) of which we have minimal input into its setting. Our core costs are staffing which during the year 2022/23 account for nearly 90% of our income at £1.93m. Significant increases in staffing cost due to government policy and market pressures limit our ability to bring the Company into a surplus.

Alongside a commitment to strong financial management the Trustees continue to place an emphasis on controlling staff costs (specifically third party agencies), ensuring that all residential rooms are occupied to maximise income levels and the continuing review of individual service user fees with local authorities. During the year 2022/23 several uplifts have been agreed following reviews to bring an individual's fee in line with costs, but there are still service users whose fee income is well behind our base cost.

ESCC has for 2023/24 uplifted fees for all services we provide by 10%, factoring this increase into the budget for 2023/24 brings us into a potential surplus subject to there being no material uncertainties during the year. This appears to indicate a loosening of the purse-strings by local authorities regarding the Adult Social Care sector from additional Government funding.

#### **Reserves policy**

The purpose of the Company's 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 and the level of reserves is monitored and reviewed by the Trustees on an ongoing basis. The Trustees review the company's requirements for reserves in the light of the main risks to our operations to:

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

Total funds at the end of the year amounted to £1,973,772 of which £1,535,015 was designated. Of these designated funds £1,504,035 relate to fixed assets which are required for the company to carry out its operations and hence, are not available for distribution. The designated funds were established by the company to designate funds for ongoing activities in these areas.

There was £8,545 within restricted funds at the end of the year, for the Leaf Hall Project. Cash and Cash Equivalents have reduced to £621,778 from £749,872. 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 2023***

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#### **Asset Cover for Funds**

Note 23 sets out an analysis of the assets attributable to the various funds and a description of the trusts.

The financial pressures from staffing costs and inflation will continue to have impact during the coming year as the Company continues to maintain a level of staffing to provide high levels of service too, and safeguard our service users.

The Trustees are confident the Company has sufficient assets to meet the company's obligations on a fund-by-fund basis.

#### **Investment policy**

Aside from retaining a prudent amount in reserves each year, most of the company's funds are held on short term deposit.

#### **Major risks**

The Trustees have assessed the major risks to which the Company 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 company 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 company 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.
- To always maximise our income streams with full occupancy and to work in consultation with ESCC to uplift service user fees to appropriate levels.
- To expand the depth, experience and number of Trustees – the Executive Committee 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.
- Continued review of our main charitable objectives so they remain relevant and in tune with the founding principles, also ensuring they are achievable.

# **EASTBOURNE & DISTRICT MENCAP LIMITED**

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

### **FOR THE YEAR ENDED 31 MARCH 2023**

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#### **Plans for future periods**

During the last 12 months the Trustees, members and staff have been working with Anderson Norton a company who specialise in branding and marketing to establish a name change and a new branding profiles moving into the future and following a vote of members and staff the chosen new trading name for Eastbourne & District Mencap with effect from 1 December 2023 will be '**INSPIRE Sussex**' with the tag line '**human shaped care**'. Work is ongoing with Anderson Norton to produce our profile, website etc with the formal change to be made during 2023/24.

As part of the INSPIRE Sussex project and as an addition to our day care services we have established an enterprise called 'INSPIRE Events' to bring together individuals with learning disabilities from the local area together in social events. A comprehensive list of activities and events outside of the day centre has been put together which will allow individuals to meet and engage with each other as part of the wider community.

As previously referred the supported living bungalow Holmworth is in the process of being sold to fund an extension with improvements to 'Greensleeves' our residential home in Friday Street, Eastbourne. This extension will create 2 new ground floor en-suite rooms allowing wheelchair access and will give significant improvements to the property and provide facilities for 2 additional service users. This cost for this project will be £195,000 and will be funded from the sale of Holmworth.

A decision to relocate the day care centre and head office in Pevensey Road, Eastbourne was made by the Trustees many years ago and a new location has finally been found. Having sold Pevensey Road a new premises has been purchased within Eastbourne and the date of moving will be 2 February 2024. Our new location will require modifications and significant improvements which will cost in the region of £175,000, this will be funded part from reserves and part from the sale of Holmworth.

Efforts to raise funds to purchase a new mini-bus are ongoing with the hope that 2024 will we achieve this aim.

#### **Structure, governance and management**

The Company is a charitable company limited by guarantee incorporated on 26 March 2007 and registered as a company 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 company Eastbourne & District Mencap which was formed in 1949.

The Company is governed by non-executive directors, as listed on the attached flysheet who are also Company Trustees for the purposes of company law and under the company's Articles are known as the Executive Committee.

The trustees, who are also the directors for the purpose of company law, and who served during the year and up to the date of signature of the financial statements were:

Mr C Mizen

Ms N E Trimmer

Ms M J Thurstan

Mr A M Norwood

Ms L Fennell

Ms M S Stubbs

#### **Recruitment and appointment of trustees**

Under the Memorandum and Articles of Association the honorary officers and four members are appointed each year at the AGM in accordance with the Articles to hold office until the end of the next AGM. The membership is invited to nominate members for election. The Board may co-opt additional members (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 company.

# **EASTBOURNE & DISTRICT MENCAP LIMITED**

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

### **FOR THE YEAR ENDED 31 MARCH 2023**

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All members of the Executive Committee give their time voluntarily and receive no benefits from the company except the learning-disabled representative. Any expenses reclaimed from the company 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 Executive Committee meets a minimum of 4 times a year to administer the Charities operations. The day to day management of the Company is in the hands of the Chief Executive Officer and the Senior Management team.

#### **Organisational structure**

##### **People**

The Trustees would like to put on record their gratitude for the loyal and dedicated support from all staff throughout the year and 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 company, and recognise the risk of costs increasing if this had to be done by paid staff.

##### **Recruitment**

There are considerable pressures within the industry surrounding recruitment and retention of staff which we are not immune too. Steps are continually taken to improve our terms of employment which have a positive impact in employing the best staff available to us but the fluidity of the industry means we always have vacancies to fill.

##### **Training**

The Company continues to provide 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 company has always exceeded any of the requirements.

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 Company 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 Company in the service it provides.

#### **Funds held as custodian trustee**

The Company holds some monies on behalf of service users as custodian trustees, these monies are not assets of the Company and therefore the cash balances and creditors have been eliminated from the accounts.

# **EASTBOURNE & DISTRICT MENCAP LIMITED**

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

***FOR THE YEAR ENDED 31 MARCH 2023***

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### **Statement of trustees' responsibilities**

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; 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.

### **Auditor**

In accordance with the company's articles, a resolution proposing that James Todd & Co Limited be reappointed as auditor of the company will be put at a General Meeting.

### **Disclosure of information to auditor**

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.

The trustees' report was approved by the Board of Trustees.

Mr C Mizen  
**Trustee**

21 December 2023

# 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 2023 which comprise the statement of financial activities, the balance sheet, the statement of cash flows and notes to the financial statements, including significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland* (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

- give a true and fair view of the state of the charitable company's affairs as at 31 March 2023 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.

#### 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**

We have been appointed as auditor under section 144 of the Charities Act 2011 and report in accordance with the Act and relevant regulations made or having effect thereunder.

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.

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.

#### **Use of our report**

This report is made solely to the charity's trustees, as a body, in accordance with part 4 of the Charities (Accounts and Reports) Regulations 2008. Our audit work has been undertaken so that we might state to the charity's trustees those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charity and the charity's trustees as a body, for our audit work, for this report, or for the opinions we have formed.

# **EASTBOURNE & DISTRICT MENCAP LIMITED**

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

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

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**Michelle Daniels FCA (Senior Statutory Auditor)**  
for and on behalf of James Todd & Co Limited

21 December 2023

**Chartered Accountants**  
**Statutory Auditor**

1 & 2 The Barn Oldwick  
West Stoke Road  
Lavant  
Chichester  
West Sussex  
England  
PO18 9AA

James Todd & Co Limited 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 2023**

		Unrestricted funds general	Unrestricted funds Designated fund	Restricted funds	Total	Unrestricted funds general	Unrestricted funds Designated fund	Restricted funds	Total
	Notes	2023 £	2023 £	2023 £	2023 £	2022 £	2022 £	2022 £	2022 £
<b>Income and endowments from:</b>									
Donations and legacies	3	19,487	-	-	19,487	3,911	2,054	-	5,965
Charitable activities	4	2,182,200	-	10,307	2,192,507	2,044,911	-	8,034	2,052,945
Other trading activities	5	-	-	2,430	2,430	-	-	199	199
Investments	6	2,585	-	-	2,585	45	-	-	45
Other income	7	-	-	-	-	9,558	-	-	9,558
<b>Total income</b>		<u>2,204,272</u>	<u>-</u>	<u>12,737</u>	<u>2,217,009</u>	<u>2,058,425</u>	<u>2,054</u>	<u>8,233</u>	<u>2,068,712</u>
<b>Expenditure on:</b>									
Raising funds	8	3,898	-	-	3,898	2,380	-	-	2,380
Charitable activities	9	2,300,187	47,635	9,130	2,356,952	2,115,184	33,915	3,295	2,152,394
<b>Total expenditure</b>		<u>2,304,085</u>	<u>47,635</u>	<u>9,130</u>	<u>2,360,850</u>	<u>2,117,564</u>	<u>33,915</u>	<u>3,295</u>	<u>2,154,774</u>
<b>Net income/(expenditure)</b>		(99,813)	(47,635)	3,607	(143,841)	(59,139)	(31,861)	4,938	(86,062)

# EASTBOURNE & DISTRICT MENCAP LIMITED

## STATEMENT OF FINANCIAL ACTIVITIES (CONTINUED) INCLUDING INCOME AND EXPENDITURE ACCOUNT

FOR THE YEAR ENDED 31 MARCH 2023

	Unrestricted funds general	Unrestricted funds Designated fund	Restricted funds	Total	Unrestricted funds general	Unrestricted funds Designated fund	Restricted funds	Total
Notes	2023 £	2023 £	2023 £	2023 £	2022 £	2022 £	2022 £	2022 £
Transfers between funds	(21,367)	21,367	-	-	(38,915)	38,915	-	-
<b>Net movement in funds</b>	(121,180)	(26,268)	3,607	(143,841)	(98,054)	7,054	4,938	(86,062)
<b>Reconciliation of funds:</b>								
Fund balances at 1 April 2022	551,392	1,561,283	4,938	2,117,613	649,446	1,554,229	-	2,203,675
<b>Fund balances at 31 March 2023</b>	430,212	1,535,015	8,545	1,973,772	551,392	1,561,283	4,938	2,117,613

The statement of financial activities includes all gains and losses recognised in the year. All income and expenditure derive from continuing activities.

# EASTBOURNE & DISTRICT MENCAP LIMITED

## BALANCE SHEET

AS AT 31 MARCH 2023

		2023		2022	
	Notes	£	£	£	£
<b>Fixed assets</b>					
Intangible assets	14		7,600		-
Tangible assets	15		1,504,035		1,526,734
			<u>1,511,635</u>		<u>1,526,734</u>
<b>Current assets</b>					
Debtors	16	67,119		81,647	
Cash at bank and in hand		621,778		749,872	
		<u>688,897</u>		<u>831,519</u>	
<b>Creditors: amounts falling due within one year</b>	18	204,410		208,972	
		<u>204,410</u>		<u>208,972</u>	
Net current assets			484,487		622,547
<b>Total assets less current liabilities</b>			1,996,122		2,149,281
<b>Creditors: amounts falling due after more than one year</b>	19		(22,350)		(31,668)
			<u>(22,350)</u>		<u>(31,668)</u>
<b>Net assets</b>			<u>1,973,772</u>		<u>2,117,613</u>
<b>The funds of the charity</b>					
Restricted income funds	20		8,545		4,938
Unrestricted funds - general			430,212		551,392
Unrestricted funds - Designated fund	21		1,535,015		1,561,283
			<u>1,973,772</u>		<u>2,117,613</u>

# **EASTBOURNE & DISTRICT MENCAP LIMITED**

## **BALANCE SHEET (CONTINUED)**

***AS AT 31 MARCH 2023***

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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 2023, 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.

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 21 December 2023

Mr C Mizen  
**Trustee**

Mr A M Norwood  
**Trustee**

Company registration number 06182982 (England and Wales)

# EASTBOURNE & DISTRICT MENCAP LIMITED

## STATEMENT OF CASH FLOWS

**FOR THE YEAR ENDED 31 MARCH 2023**

	Notes	2023 £	£	2022 £	£
<b>Cash flows from operating activities</b>					
Cash (absorbed by)/generated from operations	27		(88,593)		511,178
<b>Investing activities</b>					
Purchase of intangible assets		(11,400)		-	
Purchase of tangible fixed assets		(21,367)		(38,914)	
Proceeds from disposal of tangible fixed assets		-		5,079	
Investment income received		2,585		45	
<b>Net cash used in investing activities</b>			(30,182)		(33,790)
<b>Financing activities</b>					
Repayment of bank loans		(9,318)		(8,332)	
<b>Net cash used in financing activities</b>			(9,318)		(8,332)
<b>Net (decrease)/increase in cash and cash equivalents</b>			(128,093)		469,056
Cash and cash equivalents at beginning of year			749,872		280,817
<b>Cash and cash equivalents at end of year</b>			621,778		749,872

# EASTBOURNE & DISTRICT MENCAP LIMITED

## NOTES TO THE FINANCIAL STATEMENTS

### FOR THE YEAR ENDED 31 MARCH 2023

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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, England.

##### 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, FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" ("FRS 102") and the Charities SORP "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. The purposes and uses of the designated funds are set out in the notes to the financial statements.

Restricted funds are subject to specific conditions by donors or grantors 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

Income is recognised when the charity is legally entitled to it after any performance conditions have been met, the amounts can be measured reliably, and it is probable that income will be received.

Cash donations are recognised on receipt. Other donations are recognised once the charity has been notified of the donation, unless performance conditions require deferral of the amount. Income tax recoverable in relation to donations received under Gift Aid or deeds of covenant is recognised at the time of the donation.

Legacies are recognised on receipt or otherwise if the charity has been notified of an impending distribution, the amount is known, and receipt is expected. If the amount is not known, the legacy is treated as a contingent asset.

# EASTBOURNE & DISTRICT MENCAP LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### FOR THE YEAR ENDED 31 MARCH 2023

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#### 1 Accounting policies

(Continued)

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.

#### 1.5 Expenditure

Expenditure is recognised once there is a legal or constructive obligation to transfer economic benefit to a third party, it is probable that a transfer of economic benefits will be required in settlement, and the amount of the obligation can be measured reliably.

Expenditure is classified by activity. The costs of each activity are made up of the total of direct costs and shared costs, including support costs involved in undertaking each activity. Direct costs attributable to a single activity are allocated directly to that activity. Shared costs which contribute to more than one activity and support costs which are not attributable to a single activity are apportioned between those activities on a basis consistent with the use of resources. Central staff costs are allocated on the basis of time spent, and depreciation charges are allocated on the portion of the asset's use.

#### 1.6 Intangible fixed assets other than goodwill

Intangible assets acquired separately from a business are recognised at cost and are subsequently measured at cost less accumulated amortisation and accumulated impairment losses.

Intangible assets acquired on business combinations are recognised separately from goodwill at the acquisition date where it is probable that the expected future economic benefits that are attributable to the asset will flow to the entity and the fair value of the asset can be measured reliably; the intangible asset arises from contractual or other legal rights; and the intangible asset is separable from the entity.

Amortisation 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:

Branding	33.3% straight line
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# EASTBOURNE & DISTRICT MENCAP LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2023

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### 1 Accounting policies

(Continued)

#### 1.7 Tangible fixed assets

Tangible fixed assets 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:

Freehold land and buildings	50 years straight line
Fixtures and fittings	4 years straight line
Motor vehicles	25% reducing balance

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.

#### 1.8 Impairment of fixed assets

At each reporting end date, the charity reviews the carrying amounts of its tangible and intangible 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).

#### 1.9 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.

#### 1.10 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 debtors 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.

# EASTBOURNE & DISTRICT MENCAP LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### FOR THE YEAR ENDED 31 MARCH 2023

#### 1 Accounting policies

(Continued)

##### **Basic financial liabilities**

Basic financial liabilities, including creditors 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 creditors 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 creditors 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.

#### 1.11 Employee benefits

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 charity is demonstrably committed to terminate the employment of an employee or to provide termination benefits.

#### 1.12 Retirement benefits

Payments to defined contribution retirement benefit schemes are charged as an expense as they fall due.

#### 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 Income from donations and legacies

	Unrestricted funds general	Unrestricted funds Designated fund	Total	Unrestricted funds general	Unrestricted funds Designated fund	Total
	2023	2023	2023	2022	2022	2022
	£	£	£	£	£	£
Donations and gifts	18,927	-	18,927	3,066	2,054	5,120
Membership fees	560	-	560	845	-	845
	<u>19,487</u>	<u>-</u>	<u>19,487</u>	<u>3,911</u>	<u>2,054</u>	<u>5,965</u>

# EASTBOURNE & DISTRICT MENCAP LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2023

### 4 Income from charitable activities

	Unrestricted funds 2023 £	Restricted funds 2023 £	Total 2023 £	Unrestricted funds 2022 £	Restricted funds 2022 £	Total 2022 £
<b>Residential Care Services</b>						
Sale of goods	-	-	-	-	-	-
Residential care services	1,954,750	-	1,954,750	1,759,406	-	1,759,406
Grants	-	-	-	98,481	-	98,481
<b>Day Care Services</b>						
Residential care services	227,450	-	227,450	181,790	-	181,790
Grants	-	10,307	10,307	5,234	8,034	13,268
	<u>2,182,200</u>	<u>10,307</u>	<u>2,192,507</u>	<u>2,044,911</u>	<u>8,034</u>	<u>2,052,945</u>

### 5 Income from other trading activities

	Restricted funds 2023 £	Restricted funds 2022 £
Trading activity income: other	<u>2,430</u>	<u>199</u>

### 6 Income from investments

	Unrestricted funds 2023 £	Unrestricted funds 2022 £
Interest receivable	<u>2,585</u>	<u>45</u>

# EASTBOURNE & DISTRICT MENCAP LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

**FOR THE YEAR ENDED 31 MARCH 2023**

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### **7 Other income**

	Unrestricted funds 2023 £	Unrestricted funds 2022 £
Net gain on disposal of tangible fixed assets	-	5,079
Government grants	-	4,479
	<u>-</u>	<u>4,479</u>
	<u>-</u>	<u>4,479</u>

### **8 Expenditure on raising funds**

	Unrestricted funds 2023 £	Unrestricted funds 2022 £
<b>Fundraising and publicity</b>		
Other fundraising costs	3,898	2,380
	<u>3,898</u>	<u>2,380</u>

# EASTBOURNE & DISTRICT MENCAP LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### FOR THE YEAR ENDED 31 MARCH 2023

#### 9 Expenditure on charitable activities

	Residential Care Services	Day Care Services	Total	Residential Care Services	Day Care Services	Total
	2023	2023	2023	2022	2022	2022
	£	£	£	£	£	£
<b>Direct costs</b>						
Staff costs	1,633,315	172,636	1,805,951	1,490,971	137,472	1,628,443
Depreciation and impairment	47,867	-	47,867	33,915	-	33,915
Direct costs	58,788	32,951	91,739	62,725	21,207	83,932
Rent and rates	12,565	3,446	16,011	16,773	350	17,123
Insurance costs	-	-	-	14,298	1,189	15,487
Light and heat	22,071	6,084	28,155	23,149	5,029	28,178
Repairs and renewals	51,440	15,625	67,065	33,334	13,072	46,406
Telephone costs	3,567	607	4,174	5,347	1,583	6,930
Printing, postage, stationery and computer	14,312	904	15,216	12,562	869	13,431
Motor expenses	12,454	10,915	23,369	21,736	13,463	35,199
Travel costs	4,822	38	4,860	3,252	35	3,287
Sundry and other expenditure	24,721	1,738	26,459	20,692	1,083	21,775
	<u>1,885,922</u>	<u>244,944</u>	<u>2,130,866</u>	<u>1,738,754</u>	<u>195,352</u>	<u>1,934,106</u>
<b>Share of support and governance costs (see note 10)</b>						
Support	179,287	31,637	210,924	164,182	28,974	193,156
Governance	12,888	2,274	15,162	21,362	3,770	25,132
	<u>2,078,097</u>	<u>278,855</u>	<u>2,356,952</u>	<u>1,924,298</u>	<u>228,096</u>	<u>2,152,394</u>
<b>Analysis by fund</b>						
Unrestricted funds - general	2,030,462	269,725	2,300,187	1,890,383	224,801	2,115,184
Unrestricted funds - Designated fund	47,635	-	47,635	33,915	-	33,915
Restricted funds	-	9,130	9,130	-	3,295	3,295
	<u>2,078,097</u>	<u>278,855</u>	<u>2,356,952</u>	<u>1,924,298</u>	<u>228,096</u>	<u>2,152,394</u>

# EASTBOURNE & DISTRICT MENCAP LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### FOR THE YEAR ENDED 31 MARCH 2023

#### 10 Support costs allocated to activities

	2023 £	2022 £
Staff costs	124,523	137,212
Direct Costs	12,259	13,033
Insurance costs	21,346	-
Repairs and renewals	381	335
Telephone costs	3,894	7,696
Printing, postage, stationery and computer	31,432	27,901
Travel costs	8,093	-
Sundry expenses and other costs	8,996	6,979
Governance costs	15,162	25,132
	<u>226,086</u>	<u>218,288</u>
<b>Analysed between:</b>		
Residential Care Services	192,175	185,544
Day Care Services	33,911	32,744
	<u>226,086</u>	<u>218,288</u>

#### 11 Trustees

None of the trustees (or any persons connected with them) received any remuneration or benefits from the charity during the year.

#### 12 Employees

The average monthly number of employees during the year was:

	2023 Number	2022 Number
Administration staff	4	4
Direct and support staff	70	70
	<u>74</u>	<u>74</u>

#### Employment costs

	2023 £	2022 £
Wages and salaries	1,483,839	1,351,993
Social security costs	122,503	102,834
Other pension costs	27,541	29,566
	<u>1,633,883</u>	<u>1,484,393</u>

# EASTBOURNE & DISTRICT MENCAP LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### FOR THE YEAR ENDED 31 MARCH 2023

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#### 12 Employees (Continued)

The number of employees whose annual remuneration was more than £60,000 is as follows:

	2023 Number	2022 Number
£60,001 to £70,000	1	1

#### 13 Taxation

The charity is exempt from taxation on its activities because all its income is applied for charitable purposes.

#### 14 Intangible fixed assets

	Branding £
<b>Cost</b>	
At 1 April 2022	-
Additions	11,400
	<hr/>
At 31 March 2023	11,400
	<hr/>
<b>Amortisation and impairment</b>	
At 1 April 2022	-
Amortisation charged for the year	3,800
	<hr/>
At 31 March 2023	3,800
	<hr/>
<b>Carrying amount</b>	
At 31 March 2023	7,600
	<hr/>
At 31 March 2022	-
	<hr/>

# EASTBOURNE & DISTRICT MENCAP LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### FOR THE YEAR ENDED 31 MARCH 2023

#### 15 Tangible fixed assets

	Freehold land and buildings	Fixtures and fittings	Motor vehicles	Total
	£	£	£	£
<b>Cost</b>				
At 1 April 2022	1,805,446	103,420	17,735	1,926,601
Additions	10,029	1,338	10,000	21,367
At 31 March 2023	1,815,475	104,758	27,735	1,947,968
<b>Depreciation and impairment</b>				
At 1 April 2022	306,079	84,212	9,575	399,866
Depreciation charged in the year	36,310	3,217	4,540	44,067
At 31 March 2023	342,389	87,429	14,115	443,933
<b>Carrying amount</b>				
At 31 March 2023	1,473,086	17,329	13,620	1,504,035
At 31 March 2022	1,499,367	19,207	8,160	1,526,734

#### 16 Debtors

	2023	2022
	£	£
<b>Amounts falling due within one year:</b>		
Trade debtors	28,782	68,279
Other debtors	32,741	10,143
Prepayments and accrued income	5,596	3,225
	67,119	81,647

#### 17 Loans and overdrafts

	2023	2022
	£	£
Bank loans	32,350	41,668
Payable within one year	10,000	10,000
Payable after one year	22,350	31,668

# EASTBOURNE & DISTRICT MENCAP LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### FOR THE YEAR ENDED 31 MARCH 2023

#### 18 Creditors: amounts falling due within one year

	Notes	2023 £	2022 £
Bank loans	17	10,000	10,000
Other taxation and social security		36,216	35,020
Trade creditors		36,835	61,229
Other creditors		16,908	15,846
Accruals and deferred income		104,451	86,877
		<u>204,410</u>	<u>208,972</u>

The Charity currently holds monies on 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 total £16,908 (2022: £2,093).

#### 19 Creditors: amounts falling due after more than one year

	Notes	2023 £	2022 £
Bank loans	17	<u>22,350</u>	<u>31,668</u>

#### 20 Restricted funds

The restricted funds of the charity comprise the unexpended balances of donations and grants held on trust subject to specific conditions by donors as to how they may be used.

	At 1 April 2022 £	Incoming resources £	Resources expended £	At 31 March 2023 £
The Leaf Hall Project	<u>4,938</u>	<u>12,737</u>	<u>(9,130)</u>	<u>8,545</u>
<b>Previous year:</b>				
	At 1 April 2021 £	Incoming resources £	Resources expended £	At 31 March 2022 £
The Leaf Hall Project	<u>-</u>	<u>8,233</u>	<u>(3,295)</u>	<u>4,938</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 2023

#### 21 Unrestricted funds - Designated fund

These are unrestricted funds which are material to the charity's activities.

	At 1 April 2022	Incoming resources	Resources expended	Transfers	At 31 March 2023
	£	£	£	£	£
Sedgemoor and Framley residents	14,672	-	-	-	14,672
Hive of Activity	14,054	-	-	-	14,054
Functional fixed asset fund	1,526,734	-	(47,635)	21,367	1,500,466
Drama	3,726	-	-	-	3,726
Greensleeves residents	421	-	-	-	421
Arundel Road residents	1,676	-	-	-	1,676
	<u>1,561,283</u>	<u>-</u>	<u>(47,635)</u>	<u>21,367</u>	<u>1,535,015</u>

Previous year:	At 1 April 2021	Incoming resources	Resources expended	Transfers	At 31 March 2022
	£	£	£	£	£
Sedgemoor and Framley residents	14,672	-	-	-	14,672
Hive of Activity	12,000	2,054	-	-	14,054
Functional fixed asset fund	1,521,734	-	(33,915)	38,915	1,526,734
Drama	3,726	-	-	-	3,726
Greensleeves residents	421	-	-	-	421
Arundel Road residents	1,676	-	-	-	1,676
	<u>1,554,229</u>	<u>2,054</u>	<u>(33,915)</u>	<u>38,915</u>	<u>1,561,283</u>

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 Society. This has always been considered a designated fund rather than a restricted one, as the 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 towards the costs of the day services. 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.

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 transfers to this fund represents fixed assets purchased or sold during the year.

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 2023

#### 22 Unrestricted funds

The unrestricted funds of the charity comprise the unexpended balances of donations and grants which are not subject to specific conditions by donors and grantors as to how they may be used. These include designated funds which have been set aside out of unrestricted funds by the trustees for specific purposes.

	At 1 April 2022	Incoming resources	Resources expended	Transfers	At 31 March 2023
	£	£	£	£	£
General funds	551,392	2,204,272	(2,304,085)	(21,367)	430,212
	<u>551,392</u>	<u>2,204,272</u>	<u>(2,304,085)</u>	<u>(21,367)</u>	<u>430,212</u>
<b>Previous year:</b>	<b>At 1 April 2021</b>	<b>Incoming resources</b>	<b>Resources expended</b>	<b>Transfers</b>	<b>At 31 March 2022</b>
	£	£	£	£	£
General funds	649,446	2,058,425	(2,117,564)	(38,915)	551,392
	<u>649,446</u>	<u>2,058,425</u>	<u>(2,117,564)</u>	<u>(38,915)</u>	<u>551,392</u>

#### 23 Analysis of net assets between funds

	Unrestricted funds general 2023	Unrestricted funds designated 2023	Restricted funds 2023	Total 2023
	£	£	£	£
<b>Fund balances at 31 March 2023 are represented by:</b>				
Intangible fixed assets	7,600	-	-	7,600
Tangible assets	-	1,504,035	-	1,504,035
Current assets/(liabilities)	444,962	30,980	8,545	484,487
Long term liabilities	(22,350)	-	-	(22,350)
	<u>430,212</u>	<u>1,535,015</u>	<u>8,545</u>	<u>1,973,772</u>
	<u>430,212</u>	<u>1,535,015</u>	<u>8,545</u>	<u>1,973,772</u>
	Unrestricted funds general 2022	Unrestricted funds designated 2022	Restricted funds 2022	Total 2022
	£	£	£	£
<b>Fund balances at 31 March 2022 are represented by:</b>				
Tangible assets	-	1,526,734	-	1,526,734
Current assets/(liabilities)	583,060	34,549	4,938	622,547
Long term liabilities	(31,668)	-	-	(31,668)
	<u>551,392</u>	<u>1,561,283</u>	<u>4,938</u>	<u>2,117,613</u>
	<u>551,392</u>	<u>1,561,283</u>	<u>4,938</u>	<u>2,117,613</u>

# EASTBOURNE & DISTRICT MENCAP LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### FOR THE YEAR ENDED 31 MARCH 2023

#### 24 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.

#### 25 Operating lease commitments

##### Lessee

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:

	2023 £	2022 £
Within one year	4,522	3,562
Between two and five years	14,602	16,324
	<u>19,124</u>	<u>19,886</u>

#### 26 Related party transactions

There were no disclosable related party transactions during the year (2022 - none).

#### 27 Cash generated from operations

	2023 £	2022 £
Deficit for the year	(143,841)	(86,062)
Adjustments for:		
Investment income recognised in statement of financial activities	(2,585)	(45)
Gain on disposal of tangible fixed assets	-	(5,079)
Depreciation and impairment of tangible fixed assets	47,867	33,915
Movements in working capital:		
Decrease in debtors	14,528	640,720
(Decrease) in creditors	(4,562)	(72,271)
<b>Cash (absorbed by)/generated from operations</b>	<u><b>(88,593)</b></u>	<u><b>511,178</b></u>

# EASTBOURNE & DISTRICT MENCAP LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### FOR THE YEAR ENDED 31 MARCH 2023

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#### 28 Analysis of changes in net funds

	At 1 April 2022 £	Cash flows £	At 31 March 2023 £
Cash at bank and in hand	749,872	(128,094)	621,778
Loans falling due within one year	(10,000)	-	(10,000)
Loans falling due after more than one year	(31,668)	9,318	(22,350)
	<u>708,204</u>	<u>(118,776)</u>	<u>589,428</u>