

Charity Registration No. 1132403

Company Registration No. 06927124 (England and Wales)

**THE MUDLARKS COMMUNITY**  
**ANNUAL REPORT AND UNAUDITED FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 MARCH 2021**

# THE MUDLARKS COMMUNITY

## LEGAL AND ADMINISTRATIVE INFORMATION

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Trustees	David Bullen Alison Voyle Stuart Ross Stephen Wilson
Secretary	David Bullen
Managing Director	Victoria Hobson
Charity number	1132403
Company number	06927124
Registered office	40 Wellington Street Hertford Hertfordshire SG14 3AW
Independent examiner	Gary Howard FCA Howard Wilson Chartered Accountants 36 Crown Rise Watford Hertfordshire WD25 0NE

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# THE MUDLARKS COMMUNITY

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# THE MUDLARCS COMMUNITY

## TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT)

**FOR THE YEAR ENDED 31 MARCH 2021**

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The trustees present their annual report and financial statements for the year ended 31 March 2021.

The financial statements have been prepared in accordance with the accounting policies set out in note 1 to the financial statements and comply with the charitable company'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 charitable company's objects are to relieve the needs of adults with learning difficulties and mental health issues in the Hertfordshire area. The objects are delivered through the provision of a community garden facility providing education, training, therapy and social development; 2 community gardening teams; a café in the heart of the town providing training and employment for adults with learning disabilities; a woodland centre at Panshanger.

### Aims of the charity

The aims of Mudlarks are:

- 1 To promote health and wellbeing through offering social and therapeutic horticulture, training and work opportunities to young people and adults with learning disabilities and mental health issues enabling people of all abilities to learn and work together.
- 2 To provide facilities in Hertfordshire including, but not limited to, horticultural sites and a working café for the use by vulnerable young people and adults who have need of such facilities with the object of building confidence and increasing self-worth, reducing isolation and loneliness.
- 3 To develop the social and work related skills of people with learning disabilities and mental health issues through the provision of therapy, training, meaningful work experience and employment opportunities to help integrate people into their community.
- 4 To provide opportunities for volunteers and those seeking work experience at, but not limited to, a café and a horticultural environment.
- 5 To raise awareness of learning disabilities and mental health issues, and help integrate people with learning disabilities into their community through our community-based projects, as well as providing opportunities for local organisations, schools and colleges to access and utilise our facilities.
- 6 To raise awareness of the need to protect and conserve our environment.

### Objectives for the year

To consolidate our horticulture provision at 5 days a week, and fill all vacancies in order to be able to provide places for more learning disabled gardeners.

To increase training spaces and customer base at our new cafe in Hertford.

To increase cafe trading in order to fund further learning disabled staff training places and mentor support.

To raise sufficient funds to remain sustainable after the Covid-19 pandemic.

To increase the woodland centre provision.

To provide facilities and support for extremely vulnerable people during the pandemic.

To continue to plant and maintain the public gardens in Hertford, through our Larking About team's work, for the pleasure and benefit of the whole community.

To support the elderly in our community through the work of the Special Branch team of gardeners.

N.B. As the year progressed, it became evident that many of our development objectives would be placed on hold while we provided a service to meet the needs of our learning disabled community during a time of crisis.

# THE MUDLARKS COMMUNITY

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

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### Strategies for achieving objectives

The charity addresses its aims by:

- Being aware of the needs of our community and responding directly to these needs.
- Providing training and horticultural therapy in a community allotment for adults with learning disabilities or mental health issues.
- Providing training and employment in the café.
- Involving volunteers on and off site.
- Offering work experience to students and volunteers through our gardening service and café.
- Involving local organisations in projects.
- Providing opportunities for schools and colleges to access our provision.

### Introduction to activities

Our horticultural activities have continued to develop and the café is delivering training and work experience to an increasing number of people.

Our target for the year was to benefit a larger group of people in our community. We have achieved this through:

- filling all our allotment site vacancies with learning disabled people;
- involving our gardening teams in a public open spaces through our Larking About work;
- Special Branch is our gardening team providing a service for the elderly who can no longer manage and maintain their own gardens;
- finding a new and bigger location for our cafe in Hertford;
- the café has become busier, with increased takings, thus providing more training places for new learning disabled staff.

### Significant activities

The allotment site remained open throughout the pandemic, providing much needed care and support for extremely vulnerable people.

We were the only East Herts day service to remain open throughout the pandemic, and therefore had several new referrals for emergency placements.

Bought gazebos to create safe working areas with small teams working together.

Respite for families provided through the allotment site remaining open.

Many café staff transferred to the allotments while the café was closed under government restrictions.

Rumble Awards for many of the café staff and gardeners, as an online celebration event.

Continued to provide a base for 1 school at our woodland centre.

Ongoing Lloyds funding for the café mentor, supporting the cafe participants both on site and remotely during Covid-19.

Set up WhatsApp and telephone contact groups, and providing support throughout the day, 7 days a week.

Created games and quizzes for people to play at home, interacting with each other.

Set up walking groups when people were allowed to safely meet up.

The café won the best community group in the online Love Hertford Awards for our work in supporting everyone throughout the pandemic.

Adapted the café menu for takeaways, thus ensuring some café income even when closed to customers.

Created displays for the online London Harvest festival, and made a video from site for the event. Won first prize in the miniature garden and community garden display at the online London Harvest Show.

Castle Grounds planting and maintenance continued so that people out on their daily walk could enjoy the gardens.

Special Branch adapted and continued working with the elderly in the community, accessing gardens through side gates and providing company for isolated elderly people through the window.

Created and sold christmas wreath boxes to the community.

Sold christmas trees by delivering over a 2 week period into the community.

Virtual London marathon raised significant funds for Mudlarks.

# THE MUDLARKS COMMUNITY

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

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### Public benefit statement

The trustees confirm that they have complied with the duty in Section 4 of the Charities Act 2006 to have regard to the Charity Commission's general guidance on public benefit. Mudlarks is a thriving community allotment and café, based on principles of equal opportunities and environmental awareness. We are open to people of all abilities, encourage the participation of volunteers, and provide opportunities for a marginalised group of people with learning disabilities, mental health issues, and physical disabilities.

### Use of volunteers

Volunteers have assisted in the allotments, café, woodland centre and as trustees. Local tradesmen, Rotary Club, Scouts, photographers all assisted in fundraising, supporting the café and allotments.

### Achievements and performance

#### *Charitable achievements*

Number of gardeners continues to increase with increased site staffing. We are now fully open on site 5 days per week.

Short term gardener placements were created to meet the increased demand during the covid pandemic.

Many elderly people and 2 housing associations have been helped through Special Branch, providing comfort and company during the pandemic.

Larking About continues to provide work experience at the Town Council gardens, creating therapeutic outdoor spaces for the community to enjoy.

Due to increased cafe sales and the Lloyds mentor role, we have been able to increase the places in the café and have now employed more people with learning disabilities.

We have provided volunteer placements in both the cafe and the allotments for unfunded adults with mental health concerns.

Rumble Awards were received online by café staff and gardeners.

Awards from the Federation of City Farms and Community Gardens for our online community garden displays.

Awards from Love Hertford for our community and volunteer work throughout the pandemic.

#### *Fundraising achievements*

We received a substantial number of grants, particularly Covid grants, details of which can be found further in this document.

We adapted the events where possible, holding a virtual London marathon, wreath boxes with a video tutorial, and deliveries of Christmas trees.

#### *Investment performance*

The trustees have placed some reserve funds into an interest bearing account at the Triodos bank.

### Financial review

During the year the charitable company's income increased from £644,412 in 2020 to £760,669 in 2021, an increase of £116,257. Expenditure increased from £556,535 in 2020 to £645,272 in 2021, an increase of £88,737. Overall Mudlarks recorded a surplus of £115,397 which included a surplus on unrestricted funds of £97,977 and on restricted funds of £17,420.

At the year-end Mudlarks had unrestricted funds to carry forward of £369,005 (2020: £271,028) and restricted funds of £63,218 (2020: £45,798).

We have diversified our charitable incomes with a third coming through the café, a third from local government and the rest from events, donations and fundraising.

# THE MUDLARKS COMMUNITY

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

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### Reserves policy

The trustees have agreed a policy whereby funds not committed or invested in tangible fixed assets held by the company should be maintained at a level sufficient to pay rent and staff costs for 6 months. This policy allows for a reduction of income or lack of fundraising success during any particular year whilst allowing the charity to continue its activities at the current level for some months.

As at the year end the target level of reserves were calculated to be £260,000. The actual reserves are in line with this amount. The excess will be used as working capital and contingency funds in the event of needing to replace equipment.

### Principal sources of income and how expenditure meets objects

Our principal sources of income are from grants and contracts with Hertfordshire County Council, direct funding, schools, café sales, fundraising, contracts and donations.

### Investment policy

All monies are reinvested into charity.

### Risk Review

The trustees have considered the risks to which the charity is exposed and have established systems for mitigating those risks.

The external risk is funding. The charity's reserves policy has been developed to address any sudden withdrawal of funding and there is a policy to secure funds from a wide range of sources.

Internal risks are minimised by implementing procedures for authorisation for all transactions and projects to ensure continued quality of service for all operational aspects of the charity.

### COVID-19

Just before the beginning of this accounting year the Covid-19 pandemic spread throughout the world affecting all aspects of daily life. The Trustees considered the impact this had on the affairs of the charitable company, revising operational and financial plans for the year ahead.

The charity continued to support our beneficiaries both during and beyond the pandemic. The trustees agreed a sensible spending plan for the year, alongside an updated income strategy which was monitored regularly, with the flexibility necessary to manage the charity through this period. The trustees remain confident that the charity will be able to deliver significantly against our aims and objects within the resources that will be available.

### Plans for future periods

To create new locations in order to help with the waiting list of gardener places.

Widen the Special Branch client base

Establish the new, larger café in Hertford

Utilise the café for evenings and weekend events

Increasing the number of café assistants and build links with local businesses

Open the woodland centre to all people, as well as the schools, providing a facility for young adults with more challenging behaviour.

Find land for 2 large polytunnels in order to be able to create placements for more able autistic gardeners, grow vegetables for the cafe throughout the year and thus reduce cafe food costs.

# THE MUDLARKS COMMUNITY

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

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

The Mudlarks Community is a company limited by guarantee and a registered charity governed by its memorandum and articles of association.

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:

David Bullen

Alison Voyle

Stuart Ross

Stephen Wilson

(Appointed 26 July 2021)

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

Individuals who have either volunteered or shown commitment to Mudlarks over many years are invited to join the Board of Trustees to meet a required skill set on the Board.

The trustees of the charity live or work in the local area. They are selected due to the skills and level of expertise they can bring to the organisation to help improve its efficiency and effectiveness and are all volunteers.

None of the trustees has any beneficial interest in the company. All of the trustees are members of the company and guarantee to contribute £1 in the event of a winding up.

### **Induction and training of trustees**

New trustees attend a Trustee Roles and Responsibilities course run by the CVS.

The Managing Director supplies literature to guide trustees.

Attending training courses with other staff and volunteers including basic first aid, manual handling, Makaton, autism awareness. Trustees use the same e learning platform as staff to complete appropriate modules such as equal opportunity and diversity training and Safeguarding adults from abuse.

### **Organisational structure**

Mudlarks has a clearly defined structure allowing users and the local community to participate through the Board of Trustees. This governing body has responsibility for policy and overall management.

The day-to-day running, fundraising and development of the organisation are the responsibilities of the Mudlarks Managing Director.

### **Relationship with wider network**

We are members of the Social Farms and Gardens network, Thrive, and Herts Social Therapeutic Horticulture Group.

We have a close relationship with the Adult Health and Social Care team in East Herts, the 0-25 SEND team, and all the local schools and colleges. We are part of the BBO partnership across Hertfordshire and we co-ordinate the East Herts Learning Disability Forum meetings.

### **Relationship with related parties**

Mudlarks managing staff attend annual reviews, and day care co-ordination meetings. The managing director gives regular talks to local groups e.g. WI, Rotary Clubs etc.



# THE MUDLARKS COMMUNITY

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

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### Statement of trustees' responsibilities

The trustees, who are also the directors of The Mudlarks Community 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).

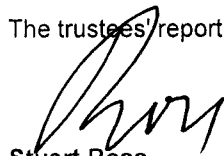
Company Law requires the trustees to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the charitable company and of the incoming resources and application of resources, including the income and expenditure, of the charitable company for that 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 charitable company 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 charitable company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the charitable company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

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



**Stuart Ross**

Trustee

Dated: 30 November 2021

# THE MUDLARCS COMMUNITY

## INDEPENDENT EXAMINER'S REPORT

### TO THE TRUSTEES OF THE MUDLARCS COMMUNITY

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I report on the financial statements of the charitable company for the year ended 31 March 2021, which are set out on pages 8 to 23.

#### Respective responsibilities of trustees and examiner

The charitable company's trustees, who are also the directors of The Mudlarks Community for the purposes of company law, are responsible for the preparation of the financial statements. The trustees consider that an audit is not required for this year under section 144(2) of the Charities Act 2011 (the 2011 Act) and that an independent examination is needed. The charity's gross income exceeded £250,000 and I am qualified to undertake the examination being a qualified member of The Institute of Chartered Accountants in England and Wales.

Having satisfied myself that the charity is not subject to audit under company law and is eligible for independent examination, it is my responsibility to:

- (i) examine the financial statements under section 145 of the 2011 Act;
- (ii) to follow the procedures laid down in the general Directions given by the Charity Commission under section 145(5)(b) of the 2011 Act; and
- (iii) to state whether particular matters have come to my attention.

#### Basis of independent examiner's report

My examination was carried out in accordance with the general Directions given by the Charity Commission. An examination includes a review of the accounting records kept by the charity and a comparison of the financial statements presented with those records. It also includes consideration of any unusual items or disclosures in the financial statements, and seeking explanations from you as trustees concerning any such matters. The procedures undertaken do not provide all the evidence that would be required in an audit and consequently no opinion is given as to whether the financial statements present a 'true and fair view' and the report is limited to those matters set out in the next statement.

#### Independent examiner's statement

In connection with my examination, no matter has come to my attention:

- (a) which gives me reasonable cause to believe that in any material respect the requirements:
  - (i) to keep accounting records in accordance with section 386 of the Companies Act 2006; and
  - (ii) to prepare accounts which accord with the accounting records, comply with the accounting requirements of section 396 of the Companies Act 2006 and with the methods and principles of the Statement of Recommended Practice: Accounting and Reporting by Charities (FRS102);have not been met or
- (b) to which, in my opinion, attention should be drawn in order to enable a proper understanding of the financial statements to be reached.



Gary Howard FCA

Chartered Accountant  
Howard Wilson Chartered Accountants  
36 Crown Rise  
Watford  
Hertfordshire  
WD25 0NE

Dated: 3 December 2021

# THE MUDLARCS COMMUNITY

## STATEMENT OF FINANCIAL ACTIVITIES INCLUDING INCOME AND EXPENDITURE ACCOUNT FOR THE YEAR ENDED 31 MARCH 2021

### Current financial year

	Notes	Unrestricted funds 2021 £	Restricted funds 2021 £	Total 2021 £	Total 2020 £
<b>Income from:</b>					
Donations and legacies	3	232,005	-	232,005	93,138
Supporting adults with learning disabilities and mental health issues	4	444,976	82,635	527,611	534,594
Other fundraising activities	5	887	-	887	16,433
Investments	6	166	-	166	247
<b>Total income</b>		<b>678,034</b>	<b>82,635</b>	<b>760,669</b>	<b>644,412</b>
<b>Expenditure on:</b>					
Raising funds	7	6,482	-	6,482	12,131
Supporting adults with learning disabilities and mental health issues	8	561,981	76,809	638,790	544,404
<b>Total resources expended</b>		<b>568,463</b>	<b>76,809</b>	<b>645,272</b>	<b>556,535</b>
<b>Net incoming resources before transfers</b>		<b>109,571</b>	<b>5,826</b>	<b>115,397</b>	<b>87,877</b>
Gross transfers between funds		(11,594)	11,594	-	-
<b>Net income for the year/ Net movement in funds</b>		<b>97,977</b>	<b>17,420</b>	<b>115,397</b>	<b>87,877</b>
Fund balances at 1 April 2020		271,028	45,798	316,826	228,949
<b>Fund balances at 31 March 2021</b>		<b>369,005</b>	<b>63,218</b>	<b>432,223</b>	<b>316,826</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.

# THE MUDLARKS COMMUNITY

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

FOR THE YEAR ENDED 31 MARCH 2021

Prior financial year

		Unrestricted funds 2020 £	Restricted funds 2020 £	Total 2020 £
	Notes			
<b><u>Income from:</u></b>				
Donations and legacies	3	77,310	15,828	93,138
Supporting adults with learning disabilities and mental health issues	4	419,380	115,214	534,594
Other fundraising activities	5	16,433	-	16,433
Investments	6	247	-	247
<b>Total income</b>		<b>513,370</b>	<b>131,042</b>	<b>644,412</b>
<b><u>Expenditure on:</u></b>				
Raising funds	7	12,131	-	12,131
Supporting adults with learning disabilities and mental health issues	8	449,395	95,009	544,404
<b>Total resources expended</b>		<b>461,526</b>	<b>95,009</b>	<b>556,535</b>
<b>Net incoming resources before transfers</b>		<b>51,844</b>	<b>36,033</b>	<b>87,877</b>
Gross transfers between funds		2,352	(2,352)	-
<b>Net income for the year/ Net movement in funds</b>		<b>54,196</b>	<b>33,681</b>	<b>87,877</b>
Fund balances at 1 April 2019		216,832	12,117	228,949
<b>Fund balances at 31 March 2020</b>		<b>271,028</b>	<b>45,798</b>	<b>316,826</b>

# THE MUDLARKS COMMUNITY

## BALANCE SHEET

AS AT 31 MARCH 2021

	Notes	2021 £	£	2020 £	£
<b>Fixed assets</b>					
Tangible assets	11		11,044		3,987
<b>Current assets</b>					
Debtors	12	34,007		20,805	
Cash at bank and in hand		398,792		304,577	
		<u>432,799</u>		<u>325,382</u>	
<b>Creditors: amounts falling due within one year</b>	13	<u>(11,620)</u>		<u>(12,543)</u>	
Net current assets			421,179		312,839
<b>Total assets less current liabilities</b>			<u>432,223</u>		<u>316,826</u>
<b>Income funds</b>					
Restricted funds	15		63,218		45,798
Unrestricted funds			369,005		271,028
			<u>432,223</u>		<u>316,826</u>

The company is entitled to the exemption from the audit requirement contained in section 477 of the Companies Act 2006, for the year ended 31 March 2021.

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 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 30 November 2021

David Buller  
Trustee



Stuart Ross  
Trustee



Company Registration No. 06927124

# THE MUDLARKS COMMUNITY

## STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 31 MARCH 2021

	Notes	2021 £	£	2020 £	£
<b>Cash flows from operating activities</b>					
Cash generated from operations	18		107,991		117,375
<b>Investing activities</b>					
Purchase of tangible fixed assets		(13,942)		(5,250)	
Interest received		166		247	
<b>Net cash used in investing activities</b>			(13,776)		(5,003)
<b>Net cash used in financing activities</b>			-		-
<b>Net increase in cash and cash equivalents</b>			94,215		112,372
Cash and cash equivalents at beginning of year			304,577		192,205
<b>Cash and cash equivalents at end of year</b>			398,792		304,577

# THE MUDLARCS COMMUNITY

## NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2021

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### 1 Accounting policies

#### Charity information

The Mudlarks Community is a private company limited by guarantee incorporated in England and Wales. The registered office is 40 Wellington Street, Hertford, Hertfordshire, SG14 3AW.

#### 1.1 Accounting convention

The financial statements have been prepared in accordance with the charitable company'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 charitable company is a Public Benefit Entity as defined by FRS 102.

The financial statements are prepared in sterling, which is the functional currency of the charitable company. Monetary amounts in these financial statements are rounded to the nearest £.

The financial statements have been prepared under the historical cost convention, modified to include the revaluation of freehold properties and to include investment properties and certain financial instruments at fair value. The principal accounting policies adopted are set out below.

#### 1.2 Going concern

At the time of approving the financial statements, despite the ongoing and potential effects of COVID-19, the trustees have a reasonable expectation that the charity has adequate resources to continue in operational existence for the foreseeable future. The trustees continue to adopt the going concern basis of accounting in preparing the financial statements and no adjustments to the results or the carrying values declared in these financial statements are required, and none have been made.

#### 1.3 Charitable funds

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

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

Income is recognised when the charitable company 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 charitable company 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.

#### 1.5 Expenditure

Liabilities and related expenditure are recognised when an obligation exists at the Balance Sheet date as a result of a past event, it is more likely than not that a transfer of economic benefits exists and the amount of the obligation can be measured or estimated reliably.

# THE MUDLARKS COMMUNITY

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

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### 1 Accounting policies

(Continued)

#### 1.6 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:

Fixtures and fittings	over three years
Computers	over three years
Motor vehicles	over three years

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.

#### 1.7 Impairment of fixed assets

At each reporting end date, the charitable company 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 charitable company 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 charitable company's balance sheet when the charitable company 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.



# THE MUDLARKS COMMUNITY

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

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### 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 charitable company's contractual obligations expire or are discharged or cancelled.

#### **1.10 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 charitable company is demonstrably committed to terminate the employment of an employee or to provide termination benefits.

#### **1.11 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 charitable company'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.

# THE MUDLARKS COMMUNITY

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2021

### 3 Donations and legacies

	Unrestricted funds	Unrestricted funds	Restricted funds	Total
	2021 £	2020 £	2020 £	2020 £
Donations and gifts	64,819	35,969	-	35,969
Grants receivable for core activities	167,186	41,341	15,828	57,169
	<u>232,005</u>	<u>77,310</u>	<u>15,828</u>	<u>93,138</u>
<b>Grants receivable for core activities</b>				
Hertfordshire County Council - Covid Infection Control Grant	9,570	-	-	-
East Herts Council - Covid Business Relief	25,000	-	-	-
East Herts Council - Covid Local Restrictions Support Grant	15,357	-	-	-
Lloyds Bank Foundation for England & Wales	33,333	33,333	-	33,333
Coronavirus Job Retention Scheme Grant	44,345	-	-	-
Hertfordshire Community Foundation	30,000	-	-	-
Other	9,581	8,008	15,828	23,836
	<u>167,186</u>	<u>41,341</u>	<u>15,828</u>	<u>57,169</u>

# THE MUDLARKS COMMUNITY

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2021

### 4 Supporting adults with learning disabilities and mental health issues

	2021 £	2020 £
Commissioned services and schools income	279,801	260,155
Income from services undertaken by beneficiaries	163,875	158,925
Grants for charitable activities	82,635	115,214
Charitable rental income	1,300	300
	<u>527,611</u>	<u>534,594</u>
Analysis by fund		
Unrestricted funds	444,976	419,380
Restricted funds	82,635	115,214
	<u>527,611</u>	<u>534,594</u>
For the year ended 31 March 2020		
Unrestricted funds	419,380	
Restricted funds	115,214	
	<u>534,594</u>	
Grants for charitable activities		
Barbara Ward Childrens Foundation	10,000	-
National Lottery Community Fund	33,946	-
Clothworkers Federation	16,200	-
Graham Rowlandson Foundation	20,489	20,344
Baily Thomas	-	20,000
ICAP	-	20,000
Henry Smith Charity	-	28,700
Awards for All	-	10,000
Brickenden Grange Golf Club	2,000	-
Hertfordshire County Council	-	16,170
	<u>82,635</u>	<u>115,214</u>

# THE MUDLARKS COMMUNITY

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

### 5 Other fundraising activities

	Unrestricted funds	Unrestricted funds
	2021	2020
	£	£
Fundraising events	887	16,433

### 6 Investments

	Unrestricted funds	Unrestricted funds
	2021	2020
	£	£
Interest receivable	166	247

### 7 Raising funds

	Unrestricted funds	Total
	2021	2020
	£	£
Fundraising and publicity		
Staging fundraising events	4,856	10,854
Marketing	1,626	1,277
Fundraising and publicity	6,482	12,131
	6,482	12,131

# THE MUDLARKS COMMUNITY

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

### 8 Supporting adults with learning disabilities and mental health issues

	2021 £	2020 £
Staff costs	386,368	373,840
Depreciation	6,884	5,703
Other staff costs	2,264	1,729
Project costs	116,654	85,201
Premises costs	32,097	32,736
Insurance costs	3,611	5,291
Repairs and maintenance costs	71,282	21,898
Office costs	5,403	6,679
Computer costs	3,183	1,988
Motor expenses	8,284	7,103
Legal and professional costs	1,060	636
Bank charges and other finance costs	100	-
	<u>637,190</u>	<u>542,804</u>
Governance costs	1,600	1,600
	<u>638,790</u>	<u>544,404</u>

Governance costs include fees to the Independent Examiners for examination services of £1,600 (2020: £1,600). In addition, fees of £570 (2020: £540) for accounting and payroll services were paid to the Independent Examiners.

### 9 Trustees

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

# THE MUDLARCS COMMUNITY

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

### 10 Employees

#### Number of employees

The average monthly number of employees during the year was:

	2021 Number	2020 Number
Charitable activities	38	34
Administration	1	1
	<u>39</u>	<u>35</u>

#### Employment costs

	2021 £	2020 £
Wages and salaries	366,114	352,373
Social security costs	14,886	16,067
Other pension costs	5,368	5,400
	<u>386,368</u>	<u>373,840</u>

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

### 11 Tangible fixed assets

	Fixtures and fittings £	Computers £	Motor vehicles £	Total £
<b>Cost</b>				
At 1 April 2020	9,564	8,019	23,075	40,658
Additions	11,543	2,399	-	13,942
At 31 March 2021	<u>21,107</u>	<u>10,418</u>	<u>23,075</u>	<u>54,600</u>
<b>Depreciation and impairment</b>				
At 1 April 2020	9,564	7,532	19,575	36,671
Depreciation charged in the year	3,848	1,287	1,750	6,885
At 31 March 2021	<u>13,412</u>	<u>8,819</u>	<u>21,325</u>	<u>43,556</u>
<b>Carrying amount</b>				
At 31 March 2021	<u>7,695</u>	<u>1,599</u>	<u>1,750</u>	<u>11,044</u>
At 31 March 2020	<u>-</u>	<u>487</u>	<u>3,500</u>	<u>3,987</u>

# THE MUDLARCS COMMUNITY

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

### 12 Debtors

	2021	2020
	£	£
Amounts falling due within one year:		
Trade debtors	14,103	13,936
Other debtors	17,144	6,500
Prepayments and accrued income	2,760	369
	<u>34,007</u>	<u>20,805</u>

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

	2021	2020
	£	£
Other taxation and social security	4,789	4,474
Other creditors	1,598	4,649
Accruals and deferred income	5,233	3,420
	<u>11,620</u>	<u>12,543</u>

### 14 Retirement benefit schemes

#### Defined contribution schemes

The charitable company operates a defined contribution pension scheme for all qualifying employees. The assets of the scheme are held separately from those of the charitable company in an independently administered fund.

The charge to profit or loss in respect of defined contribution schemes was £5,368 (2020: £5,400).

# THE MUDLARCS COMMUNITY

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

### 15 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:

	Balance at 1 April 2019 £	Movement in funds			Balance at 1 April 2020 £	Movement in funds			Transfers £	Balance at 31 March 2021 £
		Incoming resources £	Resources expended £	Transfers £		Incoming resources £	Resources expended £	Transfers £		
Big Lottery Fund/Awards for All	-	10,000	(8,000)	-	2,000	-	(2,000)	-	-	-
Building Better Opportunities Fund	2,047	16,170	(14,853)	(3,364)	-	-	-	-	-	-
Tesco Bags of Help	-	1,080	(1,080)	-	-	-	-	-	-	-
Summer Scheme	-	1,250	(1,250)	-	-	-	-	-	-	-
The Henry Smith Charity	-	28,700	(29,712)	1,012	-	-	-	-	-	-
Graham Rowlandson Foundation	10,070	20,344	(21,412)	-	9,002	20,489	(11,846)	-	-	17,645
Baily Thomas	-	20,000	(5,204)	-	14,796	-	(21,015)	6,219	-	-
ICAP	-	20,000	-	-	20,000	-	-	-	-	20,000
Clothworkers Federation	-	-	-	-	-	16,200	(16,200)	-	-	-
Awards for All, National Lottery Community Fund	-	-	-	-	-	10,000	(1,302)	-	-	8,698
National Lottery Community Fund	-	-	-	-	-	23,946	(21,357)	4,286	-	6,875
Eastern Counties Education Trust	-	7,500	(7,500)	-	-	-	-	-	-	-
Barbara Ward Children's Foundation	-	-	-	-	-	10,000	-	-	-	10,000
Brickenden Grange Golf Club	-	-	-	-	-	2,000	(3,089)	1,089	-	-
Other funds	-	5,998	(5,998)	-	-	-	-	-	-	-
	12,117	131,042	(95,009)	(2,352)	45,798	82,635	(76,809)	11,594		63,218



# THE MUDLARCS COMMUNITY

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2021

15 Restricted funds	(Continued)
Big Lottery Fund/Awards for All is a grant for allotment site equipment.	
Building Better Opportunities is a project funded by the Big Lottery Community Fund and the European Social Fund and run in conjunction with Hertfordshire County Council to support adults who are hardest to reach in the community. Through mentors, people are encouraged to engage with their communities and join in engagement activities, leading to future work and volunteering.	
Tesco Bags of Help is to enable Larking About to restore the gardens at Hertford Castle.	
The Henry Smith Charity is funding to employ the Mudlarks Café Baker and provide training and work experience to adults with learning difficulties and mental health issues.	
Graham Rowlandson Foundation is grant funding towards salary costs of the Special Branch project leader.	
Clothworkers Federation is a grant towards the kitchen equipment in the new café.	
Awards for All, National Lottery Community Fund is a grant for the salary of one of the allotment site support workers.	
National Lottery Community Fund is a relief grant towards the running costs of the café while closed during Covid-19.	
Eastern Counties Education Trust towards the salary of the Forest School leader.	
Barbara Ward Children's Foundation is a grant towards the salary of the Forest School leader and replacement of the compost toilet.	
Brickenden Grange Golf Club was funding towards the purchase of gazebos.	

# THE MUDLARKS COMMUNITY

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2021

### 16 Analysis of net assets between funds

	Unrestricted Funds 2021 £	Restricted Funds 2021 £	Total 2021 £	Unrestricted Funds 2020 £	Restricted Funds 2020 £	Total 2020 £
Fund balances at 31 March 2021 are represented by:						
Tangible assets	11,044	-	11,044	3,987	-	3,987
Current assets/ (liabilities)	357,961	63,218	421,179	267,041	45,798	312,839
	<u>369,005</u>	<u>63,218</u>	<u>432,223</u>	<u>271,028</u>	<u>45,798</u>	<u>316,826</u>

### 17 Operating lease commitments

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

	2021 £	2020 £
Within one year	38,500	26,000
Between two and five years	110,000	11,000
	<u>148,500</u>	<u>37,000</u>

The operating leases represent leases for the café and office premises to third parties.

### 18 Cash generated from operations

	2021 £	2020 £
Surplus for the year	115,397	87,877
Adjustments for:		
Investment income recognised in statement of financial activities	(166)	(247)
Depreciation and impairment of tangible fixed assets	6,885	5,702
Movements in working capital:		
(Increase)/decrease in debtors	(13,202)	24,493
(Decrease) in creditors	(923)	(452)
<b>Cash generated from operations</b>	<u>107,991</u>	<u>117,373</u>

### 19 Analysis of changes in net funds

The charitable company had no debt during the year.