

**REPORT OF THE TRUSTEES AND
UNAUDITED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2023
FOR
SCARBOROUGH AND DISTRICT MENCAP**

Smailes Goldie Watson Limited
Chartered Accountants
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SCARBOROUGH AND DISTRICT MENCAP

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for the year ended 31 March 2023**

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**REPORT OF THE TRUSTEES
for the year ended 31 March 2023**

The Trustees are pleased to present their report together with the Charity's financial statements for the year ended 31 March 2023.

Legal and administrative information set out on page 4 forms part of this report. The financial statements comply with current statutory requirements, the Charity's governing document and the Statement Of Recommended Practice - Accounting and Reporting by Charities.

OBJECTIVES AND ACTIVITIES

Objectives and aims

The organisation has the following objectives:

The object of the CIO is: The relief of people in need by reason of learning disability* in Scarborough and District and environs in particular by the provision of help and support for them and their families, dependents and carers to improve their conditions of life by:

- a) promoting inclusion for the public benefit
- b) providing or assisting in the provision of facilities to promote personal development, daily living skills, healthy lifestyles, recreation, sport and leisure activities
- c) providing resources for support and information services.

*A learning disability is a reduced intellectual ability and difficulty with everyday activities - for example household tasks, socialising or managing money - which affects someone for their whole life and may be mild moderate or severe and include other related conditions.

The practical services and support are funded by agreeing service contracts with bodies such as North Yorkshire County Council and Health Authorities and also directly with people with a learning disability and their carers who receive direct payments and employing staff to deliver the services.

Additional funds to enable us to provide a wider range of social activities for children and adults with a range of learning disabilities and other complex needs are obtained from various sources by:

- Submitting funding bids to national and local bodies and organisations;
- Working in partnership with branches of local companies;
- Fundraising activities such as fairs, coffee mornings and street collections etc.
- Donations/legacies from individuals and charitable groups.
- Raising money through our local Scarborough and District Mencap Charity Shop and Hub.

Generally, Scarborough and District Mencap responds to needs where there is a gap in service provision. Currently, our services include:

- Day Service - Activities for adults with a learning disability (Monday to Friday)
- Flexi Services - Includes 1:1 or 2:1 personalised support, for adults or children with a learning disability , at their home or in the community during the week-day time, evenings or week-ends.
- Tea-Time Service - a bridge between day services and evening activities
- Social Clubs: Gateway, Drama and Disco
- Coffee mornings, fairs and events
- Signposting to other services, for example, advocacy organisations

**REPORT OF THE TRUSTEES
for the year ended 31 March 2023**

OBJECTIVES AND ACTIVITIES

Significant activities and performance

Scarborough and District Mencap is amongst one of the twenty largest local Mencap groups nationally. Generally, the organisation uses input from partner organisations to understand where new services are needed, especially local authority care managers and social care workers, and also works closely with families/carers who request direct payment services either directly or via one of the Forums for Staff, Service user, Parent carers and Professionals. In every case where a need for a service has been identified, the organisation has been able to secure funds to start and run the service. Beneficiaries are provided with services tailored to their individual needs and interests and are supported by trained staff to access local community facilities. This enables people with a learning disability to engage with a variety of social, cultural, sporting and leisure opportunities in the local community, enabling them to be visible, vocal and active citizens who both contribute to society and also receive services.

As a major local service provider, the organisation has to comply with all statutory health and social care requirements. In addition to our own internal monitoring systems, we are also held accountable by local and national statutory bodies, for example the previous North Yorkshire County Council (NYCC) which is now North Yorkshire Council (NYC) and the Care Quality Commission (CQC) and the Charity Commission. During the last financial year we implemented a new Governance structure to change our organisation to become a Charitable Incorporated Organisation (CIO), with a revised Constitution and developed a new Business Strategy Plan. We continue to keep service users, families and staff informed about any changes. Our Senior Management team and Trustees have reviewed all our Policies and Procedures and implemented new operational and financial practices and procedures to improve the efficacy of the whole organisation.

Public benefit

The Trustees consider that they have complied with their duty to have due regard to the guidance on public benefit published by the Charity Commission in exercising their powers and duties, as can be seen from the contents of this report.

Appreciation

The Trustees would like to say thank you to all the staff and volunteers who have worked so hard this year to continue to develop the services and make them of a higher quality. This ensures that we can provide high quality care and support for people with learning and other disabilities, challenging behaviours and complex medical needs, and offer social activities that help to widen their participation in a range of meaningful activities whilst giving much needed respite to their families/carers. The global Coronavirus pandemic brought many different challenges for our organisation, service users and their families/carers and our staff team. The Trustees wish to record their highest praise and appreciation for how everyone has responded throughout the whole unprecedented period during Covid-19, which continued into 2020, 2021 and 2022, and to a certain extent is still with us today. We all found the sudden changes, necessary safety measures and ever-changing guidance to be both challenging and emotionally and physically draining. Yet throughout the very extended period, everyone has responded in a caring, respectful and responsible manner. The Trustees have been particularly impressed with service users who have followed the stringent safety procedures, the families and carers who initially took the strain of care and in particular the Mencap staff team, led by diligent Management, who adapted and ensured the continuation of care and support and have demonstrated their professionalism and tenacity which is bringing a recognition for the profession of Health & Social Care. Well done everyone.

**REPORT OF THE TRUSTEES
for the year ended 31 March 2023**

OBJECTIVES AND ACTIVITIES

Risks to the charity

Scarborough and District Mencap takes all reasonable steps to minimise all risks by ensuring that staff are well trained, duties are clear, risk assessments are updated and generally responsibilities and duties are spread over several post-holders and not exercised by any one individual. For our Finances, this ensures that significant amounts of expenditure require more than one signature. The Trustees have undertaken a Financial Risk Assessment which informed Business Planning (including Finance Action Plans). We have a significant number of policies and procedures that govern all working practices so that we deliver services in a consistent and safe manner. We are also registered with CQC, who inspect and regulate our services providing personal care, and we have Inspection visits from North Yorkshire Council. At the close of this financial year, we are still recovering from the Coronavirus pandemic which affected our ability to deliver services in our usual way, and whilst we have re-opened most of our services, some people with a learning disability have not fully returned to services, being aware of a recent rise in Covid cases. We are still giving due consideration to ways of mitigating the effect of reduced donations and funding due to Covid-19 Government restrictions which affected fundraising events and donations. The local authority and health authority supported us to deliver commissioned services where this was possible within the Government Guidance and personal circumstances of service users and we successfully adapted our ways of delivering and running the services and organisation to ensure Service User and staff safety. We continue to assess all risks to our organisation at each Executive Committee meeting and to consider ways to mitigate the effect of risks identified.

FINANCIAL REVIEW

Financial review and reserves policy

At the end of the year, the charity had an overall surplus in funds of £181,750 (2022 - surplus of £189,494). After taking account of a surplus in restricted funds of £18,297 (2022 - surplus of £8,628), the surplus in unrestricted funds is £163,453 (2022 - surplus of £180,866). The reduction in the unrestricted funds is accounted for by the organisation slowly growing service user numbers back towards pre-pandemic levels and as such keeping the infrastructure in place to achieve this.

The continuous review and improvement of underpinning financial procedures and the monitoring systems introduced have ensured that our budget is administered more effectively and the rolling programme of reviews of all overheads has facilitated many efficiency savings. The efficiency measures enabled the Trustees to address the financial liabilities during the previous financial year. Management structure has been reviewed and some changes made and further reviews will take place, along with a continued review of facilities which culminated in a planned proposal for a new building which has now been passed giving full planning permission for a new build Mencap Centre and outline planning permission for a residential section on site.

More recently, there has been a reduction in donations and grants. Steps have already been taken to address these issues including agreement for renewed contracts, reviewing of all overheads to achieve best value and a successful programme of staff recruitment to reduce over reliance on relief staffing. The continuing global Coronavirus pandemic required urgent and immediate response to how we delivered our services to keep our service users, staff and volunteers safe, at the same time as we were required to maintain our organisation as a sustainable going concern. During the period when our service users were required to self-isolate our Senior Management team developed a Remote Support Service for our Service Users. We were supported by the local authority and health service in delivering and maintaining our contracted work and we successfully applied for Government Community Coronavirus Social Funding. This funding enabled our organisation to develop new ways of working and to buy new equipment which enabled us to continue providing much needed care and support to people with a learning disability throughout the pandemic and we gradually and safely emerged from this remote or socially distanced service provision towards a more open provision.

The full financial impact from the Coronavirus pandemic is only being fully understood as we fully open all our services. Some service users have needed or wished to make changes to their activity programmes and care packages. We have had some new referrals as well as some indication that a few service users still feel unable to access our support. Several of our continued funding applications to enable our organisation to continue in our quest to have a more appropriate Governance Structure and also to help us to look forward and to re-visit our plans for improved Services, Facilities and Opportunities for people with a learning disability have been successful and some are still in the pipe-line. Our day service provision is getting nearer to our planned level of provision and our flexi- services are also on track to show sustained improvement in hours provided.

**REPORT OF THE TRUSTEES
for the year ended 31 March 2023**

FINANCIAL REVIEW

Reserves policy

The organisation aspires to build and maintain a Reserve equivalent to three months operating costs as and when the financial position of the organisation allows. The building remains in the custody of the Trustees.

PLANS FOR THE FUTURE

The organisation has always developed services to meet the needs for local provision. It is anticipated that this will be our future strategy as well as developing and improving existing services. We always welcome input and feedback on our services so that we can adapt and develop accordingly. We have already successfully applied to a wider variety of sources for funding and we shall continue to explore partnership work with local organisations, fellow providers, and Royal Mencap Society. We have taken steps to ensure that our Governance is appropriate for the organisation and we are continuing to review our facilities to ensure they meet the needs of current and potential future service users. We now have a Charity Shop and Hub and have developed and implemented our ACE Project (Active Community Engagement) funded by The National Lottery Community Fund.

We have a live Business Strategy which will be continually revised as we go forward. We will continue to digitize our recording and reporting and have already implemented digital Care Plans, and Personal Care System and have the facilities to continually record and assess progress which automatically generates an improvement work plan to ensure we have continual improvement of services and administration. Our new website is now operational and we use Social Media to communicate achievements.

REPORT OF THE TRUSTEES for the year ended 31 March 2023

STRUCTURE, GOVERNANCE AND MANAGEMENT

Scarborough and District Mencap is a Local Mencap organisation which affiliates to Royal Mencap Society and as from 26 May 2021 is now registered with the Charity Commission as a Charitable Incorporated Organisation (Foundation model - registered charity number: 1194592). The CIO has its own governing document (Constitution) and a Board of Trustees who are also the only members of the CIO. A Chair, Secretary and Treasurer, are appointed by the membership of the CIO. The Trustee Board has the power to appoint Trustees when necessary and to co-opt Trustee members during the year. In addition, the Trustees can co-opt relevant professionals as Trustees. The original Charitable Trust (Scarborough & District Mencap 240354) is legally linked to the new CIO. The organisation undertook the process of becoming a Charitable Incorporated Organisation and a proposed new Governance Structure and Constitution were agreed an Annual General Meeting (11/07/2019) and Extraordinary General Meeting (20/02/2020) and the formal application to set up a CIO was agreed by the Charity Commission on 26/05/2021.

The organisation endeavours to have a broad balance of experience within the Trustee Board. There are positions for parent carers supplemented with representatives with specific experience in the Health, Education and related Business fields. When new members are added to the Trustee Board they have induction sessions with the Chair/Vice-Chair and CEO, who provide them with the following:

- Minutes of the meetings for the previous year, including any attached reports;
- A description of their duties, responsibilities and limits of responsibilities.

The Chief Executive Officer (CEO) reports to the Trustee Board and has delegated responsibility to manage the organisation on a day-to-day basis within guidelines set by the Trustees. The Chief Executive Officer has regular meetings with the Chair/Vice-Chair of the Trustee Board, to discuss any issues that arise; in addition there is a formal meeting of the Trustee Board at regular intervals when they receive formal reports from the Chief Executive Officer and the Finance and compliance Manager and sub-committees, in order to understand the financial position and to be informed on operating issues. The Trustee Board makes formal decisions which require their input at each meeting.

When setting remuneration for key management personnel, the Trustees are guided in the pay band by external pay benchmarking via the use of market data taken from Voluntary and non-profit making sector pay surveys and reports. Some flexibility is applied to take into consideration the specific requirements for each post and to ensure we can recruit the best candidate possible to meet the needs of our beneficiaries. When offering a salary we also take into consideration the qualification and experience of the person appointed.

Scarborough and District Mencap are affiliated to the Royal Mencap Society and adopt their vision, mission and values which influence our operational practice and training for our service delivery for people with a learning disability. These are described by Royal Mencap Society:

Our vision is a world where people with a learning disability are valued equally, listened to and included. Our vision is for the UK to be the best place in the world for people with a learning disability to live happy and healthy lives.

Our mission is to transform society's attitudes to learning disability and improve the quality of life of people with a learning disability and their families. We strive to promote change on three levels: To change society's attitude and culture, to influence people who shape policy and practice and to empower and directly support more individuals to live fulfilled lives.

Our values

- We are Inclusive. People with a learning disability are at the heart of everything we do.
- We are Trustworthy. When we promise something, we don't let people down.
- We are Caring. We treat everyone with respect and kindness.
- We are Challenging. When we see things that aren't fair we will campaign until we see real change. We try new things.
- We are Positive. We never stop believing in a better future and we celebrate what we are proud of now.
- Our approach is People centred, Empowering, Challenging and Transforming. We are kind.

SCARBOROUGH AND DISTRICT MENCAP

REPORT OF THE TRUSTEES for the year ended 31 March 2023

REFERENCE AND ADMINISTRATIVE DETAILS

Registered Charity number

1194592

Principal address

Brookleigh
60 Valley Road
Scarborough
YO11 2JE

Trustees

Trustees of Scarborough and District Mencap as the new Charitable Incorporated Organisation in 2021:

Mrs K Ryan
Mrs J Stamford
Mrs J Johnson

Trustees of Scarborough and District Mencap CIO in 2023:

Chairperson:	Mrs K Ryan (resigned 10/08/2023)
	Mrs J Stamford (appointed 10/08/2023)
Vice- Chairperson:	Mrs J Stamford (appointed 21/05/2021) - now vacant
Secretary:	Mrs J Stamford (appointed 21/05/2021) - now vacant
Treasurer:	Mrs J Johnson (appointed 21/05/2021)
Also:	Mrs S Rose (appointed 22/06/2023)

Chief Executive Officer

Ms K Taylor

Elected Committee Members

The Trustees as named above.

Independent Examiner

Smailes Goldie Watson Limited
Chartered Accountants
12 Alma Square
Scarborough
North Yorkshire
YO11 1JU

Bankers

CAF Bank Ltd
25 Kings Hill Avenue
West Malling
Kent
ME19 4JQ

CONSTITUTION

Scarborough and District Mencap became a Charitable Incorporated Organisation (CIO) with a new Constitution and registered with the Charity Commission on 21st May 2021 (Charity number 1194592). The new organisation is a Foundation CIO and the only members are the Trustees.

This new organisation is a Charitable Incorporated Organisation (Foundation model) and the only members are the Trustees. This new organisation is legally linked to the founding organisation. Scarborough & District Mencap which was founded in 1953 and registered in 1964 with the Charity Commission (Charity number 240354)

The other relevant organisation is Royal Mencap Society, London.

SCARBOROUGH AND DISTRICT MENCAP

**REPORT OF THE TRUSTEES
for the year ended 31 March 2023**

Approved by order of the board of trustees on 1 December 2023 and signed on its behalf by:

J A Stamford - Trustee

INDEPENDENT EXAMINER'S REPORT TO THE TRUSTEES OF SCARBOROUGH AND DISTRICT MENCAP

Independent examiner's report to the trustees of Scarborough and District Mencap

I report to the charity trustees on my examination of the accounts of Scarborough and District Mencap (the CIO) for the year ended 31 March 2023.

Responsibilities and basis of report

As the charity trustees of the CIO you are responsible for the preparation of the accounts in accordance with the requirements of the Charities Act 2011 ('the Act').

I report in respect of my examination of the CIO's accounts carried out under Section 145 of the Act and in carrying out my examination I have followed all applicable Directions given by the Charity Commission under Section 145(5)(b) of the Act.

Independent examiner's statement

Since your charity's gross income exceeded £250,000 your examiner must be a member of a listed body. I can confirm that I am qualified to undertake the examination because I am a member of the Institute of Chartered Accountants in England and Wales, which is one of the listed bodies.

I have completed my examination. I confirm that no material matters have come to my attention in connection with the examination giving me cause to believe that in any material respect:

1. accounting records were not kept in respect of the CIO as required by Section 130 of the Act; or
2. the accounts do not accord with those records; or
3. the accounts do not comply with the applicable requirements concerning the form and content of accounts set out in the Charities (Accounts and Reports) Regulations 2008 other than any requirement that the accounts give a true and fair view which is not a matter considered as part of an independent examination.

I have no concerns and have come across no other matters in connection with the examination to which attention should be drawn in this report in order to enable a proper understanding of the accounts to be reached.

Use of report

This report is made solely to the charity's trustees, as a body, in accordance with Section 145 of the Charities Act 2011. My work has been undertaken so that I might state to the charity's trustees those matters I am required to state to them in an independent examiner's report and for no other purpose. To the fullest extent permitted by law, I do not accept or assume responsibility to anyone other than the charity and the charity's trustees as a body, for my work, or for the opinions I have formed.

Sarah-Jane Sargent FCA
The Institute of Chartered Accountants in England and Wales

Smailes Goldie Watson Limited
Chartered Accountants
12 Alma Square
Scarborough
North Yorkshire
YO11 1JU

1 December 2023

SCARBOROUGH AND DISTRICT MENCAP

STATEMENT OF FINANCIAL ACTIVITIES
for the year ended 31 March 2023

		Unrestricted fund £	Restricted funds £	2023 Total funds £	2022 Total funds £
	Notes				
INCOME AND ENDOWMENTS FROM					
Donations and legacies	3	39,113	8,551	47,664	92,245
Charitable activities	6				
Provision of services and activities		569,671	85,158	654,829	680,066
Other trading activities	4	45,190	-	45,190	24,655
Investment income	5	<u>2,574</u>	<u>-</u>	<u>2,574</u>	<u>16</u>
Total		<u>656,548</u>	<u>93,709</u>	<u>750,257</u>	<u>796,982</u>
 EXPENDITURE ON					
Raising funds	7	22,844	-	22,844	8,301
Charitable activities	8				
Provision of services and activities		<u>651,116</u>	<u>84,041</u>	<u>735,157</u>	<u>688,837</u>
Total		<u>673,960</u>	<u>84,041</u>	<u>758,001</u>	<u>697,138</u>
 NET INCOME/(EXPENDITURE)		(17,412)	9,668	(7,744)	99,844
 RECONCILIATION OF FUNDS					
Total funds brought forward		<u>180,865</u>	<u>8,629</u>	<u>189,494</u>	<u>89,650</u>
 TOTAL FUNDS CARRIED FORWARD		<u><u>163,453</u></u>	<u><u>18,297</u></u>	<u><u>181,750</u></u>	<u><u>189,494</u></u>

The notes form part of these financial statements

SCARBOROUGH AND DISTRICT MENCAP

BALANCE SHEET **31 March 2023**

	Notes	Unrestricted fund £	Restricted funds £	2023 Total funds £	2022 Total funds £
FIXED ASSETS					
Tangible assets	14	110,698	-	110,698	118,195
CURRENT ASSETS					
Debtors	15	21,423	-	21,423	17,668
Cash at bank and in hand		<u>358,786</u>	<u>33,776</u>	<u>392,562</u>	<u>399,915</u>
		380,209	33,776	413,985	417,583
CREDITORS					
Amounts falling due within one year	16	(327,453)	(15,480)	(342,933)	(346,284)
		<u> </u>	<u> </u>	<u> </u>	<u> </u>
NET CURRENT ASSETS		<u>52,756</u>	<u>18,296</u>	<u>71,052</u>	<u>71,299</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		<u>163,454</u>	<u>18,296</u>	<u>181,750</u>	<u>189,494</u>
NET ASSETS		<u><u>163,454</u></u>	<u><u>18,296</u></u>	<u><u>181,750</u></u>	<u><u>189,494</u></u>
FUNDS	19				
Unrestricted funds				163,454	180,865
Restricted funds				<u>18,296</u>	<u>8,629</u>
TOTAL FUNDS				<u><u>181,750</u></u>	<u><u>189,494</u></u>

The financial statements were approved by the Board of Trustees and authorised for issue on 1 December 2023 and were signed on its behalf by:

J A Stamford - Trustee

SCARBOROUGH AND DISTRICT MENCAP

CASH FLOW STATEMENT
for the year ended 31 March 2023

	Notes	2023 £	2022 £
Cash flows from operating activities			
Cash generated from operations	1	<u>(8,526)</u>	<u>91,156</u>
Net cash (used in)/provided by operating activities		<u>(8,526)</u>	<u>91,156</u>
Cash flows from investing activities			
Purchase of tangible fixed assets		(1,401)	(14,791)
Interest received		<u>2,574</u>	<u>16</u>
Net cash provided by/(used in) investing activities		<u>1,173</u>	<u>(14,775)</u>
Change in cash and cash equivalents in the reporting period		(7,353)	76,381
Cash and cash equivalents at the beginning of the reporting period		<u>399,915</u>	<u>323,534</u>
Cash and cash equivalents at the end of the reporting period		<u><u>392,562</u></u>	<u><u>399,915</u></u>

The notes form part of these financial statements

NOTES TO THE CASH FLOW STATEMENT
for the year ended 31 March 2023

1. RECONCILIATION OF NET (EXPENDITURE)/INCOME TO NET CASH FLOW FROM OPERATING ACTIVITIES

	2023 £	2022 £
Net (expenditure)/income for the reporting period (as per the Statement of Financial Activities)	(7,744)	99,844
Adjustments for:		
Depreciation charges	8,898	8,853
Interest received	(2,574)	(16)
Increase in debtors	(3,755)	(48)
Decrease in creditors	<u>(3,351)</u>	<u>(17,477)</u>
Net cash (used in)/provided by operations	<u><u>(8,526)</u></u>	<u><u>91,156</u></u>

2. ANALYSIS OF CHANGES IN NET FUNDS

	At 1.4.22 £	Cash flow £	At 31.3.23 £
Net cash			
Cash at bank and in hand	<u>399,915</u>	<u>(7,353)</u>	<u>392,562</u>
	<u>399,915</u>	<u>(7,353)</u>	<u>392,562</u>
Total	<u><u>399,915</u></u>	<u><u>(7,353)</u></u>	<u><u>392,562</u></u>

1. STATUTORY INFORMATION

Scarborough and District Mencap is a Charitable Incorporated Organisation registered with the Charity Commission in England and Wales. The charity's registered number and principal office address can be found within the Report of the Trustees.

2. ACCOUNTING POLICIES

Basis of preparing the financial statements

The financial statements of the charity, which is a public benefit entity under FRS 102, have been prepared in accordance with the Charities SORP (FRS 102) '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) and the Charities Act 2011. The financial statements have been prepared under the historical cost convention.

The financial statements are presented in sterling, which is the functional currency of the charity.

Preparation of the accounts on a going concern basis

These financial statements have been prepared on the going concern basis, which assumes that the charity will continue in operational existence for the foreseeable future. The Trustees believe it is currently appropriate for the financial statements to be prepared on the going concern basis. This judgement is based on a number of factors, including the Trustees' assessment that:

- Predicted income and expenditure have been assessed as meeting financial commitments in the medium to longer term;
- Future need for service provision is ongoing and we continue to receive referrals for new or extended provision;
- New service contracts are offered on a regular basis and we expect this to continue in the future;
- A review of charges for contracts with our main commissioners of services has been undertaken, with significant increased income for each service provided;
- At NYCC's invitation (now NYC), a bid for a five-year ongoing contract was submitted and approved to continue to provide services for adults with learning disabilities and other complex needs and this has been approved for 5 years with a potential for extension for an additional two years;
- NYCC Disabled Children's Service contracts (now NYC), continue and prices have recently been increased enabling us to continue to provide services for children with learning disabilities and other complex needs;
- Revised pricing for all non-commissioned social activities has taken place and has been implemented and is now embedded and regularly reviewed;
- A broader funding strategy has been agreed and several new initiatives are already underway, including regular weekly income from a Charity Shop run by volunteers and grant applications are being submitted as needed;
- Improved financial controls, recording and monitoring have been implemented, as well as a finance sub-committee, and this strategy includes the use of standard business software and bespoke IT programs for the organisation. Finance processes have been reviewed and revised in line with Charity Commission guidelines and all recommendations implemented;
- Regular reporting of trends and financial actuals against budget are undertaken and reviewed to highlight any potential issues at an early stage.

2. ACCOUNTING POLICIES - continued

Basis of preparing the financial statements

The Trustees are aware that there are still challenges ahead and that the lack of general reserves could contribute to uncertainty, and this has influenced them to agree to work towards holding increasing levels of general reserves to protect against a potentially challenging environment in the years to come. The Trustees have plans in hand to address this situation by accumulating reserves once the financial situation allows. There are current outstanding financial liabilities which the Trustees are addressing, including a £151,000 loan, which is secured on the land and buildings. The efficiency initiatives already in place and additional fundraising implemented contributed to generate annual savings which enabled current liabilities to be managed through agreed payment plans. A review of facilities has taken place and proposed plans for improved facilities are to be submitted in the coming year. There were several steps needed to achieve the improved financial situation and a major financial focus for the Trustees has been maintaining ongoing financial sustainability given the lower level of support from donations and the need for increased income from a broader range of sources including grant applications and funding bids. The most recent Covid-19 virus and consequent Government restrictions did present the organisation with some uncertainty, but the contingency measures implemented to mitigate against the effect of the situation on Services and the organisation's sustainability have proved so far to be effective.

Critical judgements in applying the charity's policies

The Trustees do not consider that there are any significant judgements which have had to be made in preparing these financial statements and they also do not consider that any of the estimates and assumptions used in the preparation of these financial statements have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year.

Critical accounting estimates and assumptions

The annual depreciation charge for tangible fixed assets is sensitive to changes in the estimated useful lives and residual values of the assets. The assumptions used regarding useful economic lives and residual values are assessed annually. They are amended when necessary to reflect current estimates based on market conditions and physical conditions of the assets.

Incoming resources

All incoming resources are included in the statement of financial activities when the charity is legally entitled to the income and the amount can be quantified with reasonable accuracy. For legacies, entitlement is the earlier of the charity being notified of an impending distribution or the legacy being received. Grants receivable from the local authority are recognised when the service is provided. Income is deferred where it is received in advance to be expended in the following period or it relates to a fundraising event to be held in the following period. Donations and gifts are recognised when receivable at market value, with the exception of gifts donated for resale which are recognised as income on point of sale as charity shop income. No amounts are included in the financial statements for services donated by volunteers.

Government grants

Government grants are recognised at the fair value of the asset received or receivable when there is reasonable assurance that the charity will comply with conditions attaching to them and the grants will be received, using the performance model.

Resources expended

All expenditure is accounted for on an accruals basis. Charitable activities comprise those costs incurred by the charity in the delivery of its activities and services for its beneficiaries. It includes costs that can be allocated directly to such activities and those costs of an indirect nature necessary to support them. Expenditure on raising funds comprise costs incurred from the charity shop. Governance costs which are included within support costs are those costs incurred in connection with the administration of the charity and compliance with constitutional and statutory requirements.

Tangible fixed assets

The Trustees' policy is currently not to provide for depreciation of freehold buildings, as the trustees believe the current market value exceeds book value. In the opinion of the Trustees, the omission of depreciation on freehold buildings would not materially affect the appreciation of the financial statements.

NOTES TO THE FINANCIAL STATEMENTS - continued
for the year ended 31 March 2023

2. ACCOUNTING POLICIES - continued

Tangible fixed assets

Fixtures, fittings, tools and equipment	15% - 50% reducing balance
Motor vehicles	25% reducing balance

There is no specific capitalisation threshold for tangible fixed assets.

Taxation

The charity is exempt from tax on its charitable activities.

Fund accounting

Unrestricted income funds are available to use at the discretion of the Trustees in furtherance of the general objectives of the charity. Designated funds are set aside by the Trustees out of unrestricted general funds for specific future purposes. Restricted income funds are funds to be used in accordance with specific restrictions imposed by donors or funds that have been raised for a particular purpose.

Operating leases

Operating lease rentals are included within expenses of the period to which they relate.

Pension costs and other post-retirement benefits

The charity operates a defined contribution pension scheme. Contributions payable to the charity's pension scheme are charged to the Statement of Financial Activities in the period to which they relate and total £8,714 (2022 - £8,123).

Donated goods

Items donated for resale are not included in the financial statements until they are sold.

Financial instruments

The charity only enters into basic financial instrument transactions that result in the recognition of financial assets and liabilities such as trade, other debtors and creditors. Debt instruments that are payable or receivable within one year, typically debtors or creditors, are measured, initially and subsequently, at the undiscounted amount of the cash or other consideration expected to be paid or received.

3. DONATIONS AND LEGACIES

	2023	2022
	£	£
Donations	20,414	9,429
Legacies	-	50,000
Grants	<u>27,250</u>	<u>32,816</u>
	<u>47,664</u>	<u>92,245</u>

During the reporting period, the charity received £nil (2022 - £3,816) from the local authority in respect of Covid-19 support funding.

NOTES TO THE FINANCIAL STATEMENTS - continued
for the year ended 31 March 2023

4. OTHER TRADING ACTIVITIES

	2023	2022
	£	£
Charity shop income	<u>45,190</u>	<u>24,655</u>

5. INVESTMENT INCOME

	2023	2022
	£	£
Interest received	<u>2,574</u>	<u>16</u>

6. INCOME FROM CHARITABLE ACTIVITIES

	Activity	2023	2022
		£	£
Local authority and health authority income	Provision of services and activities	440,724	548,310
Sales and fees receivable	Provision of services and activities	129,015	70,831
Grants	Provision of services and activities	<u>85,090</u>	<u>60,925</u>
		<u>654,829</u>	<u>680,066</u>

During the reporting period, the charity received grants totalling £nil (2022 - £24,625) from the local authority in respect of Workforce Retention and Recruitment funding.

7. RAISING FUNDS

Raising donations and legacies

	2023	2022
	£	£
Charity shop running costs	<u>22,844</u>	<u>8,301</u>

8. CHARITABLE ACTIVITIES COSTS

	Direct Costs (see note 9)	Support costs (see note 10)	Totals
	£	£	£
Provision of services and activities	<u>655,307</u>	<u>79,850</u>	<u>735,157</u>

NOTES TO THE FINANCIAL STATEMENTS - continued
for the year ended 31 March 2023

9. DIRECT COSTS OF CHARITABLE ACTIVITIES

	2023	2022
	£	£
Staff costs	510,413	530,205
Cost of activities	28,563	5,687
Transport and general running costs	15,341	16,228
Agency staff	69,412	31,847
Consumables	-	294
Community hub running costs	22,680	-
Depreciation	8,898	7,997
	<u>655,307</u>	<u>592,258</u>

10. SUPPORT COSTS

	Management	Finance	Governance	Totals
	£	£	costs £	£
Provision of services and activities	<u>56,924</u>	<u>469</u>	<u>22,457</u>	<u>79,850</u>

Support costs, included in the above, are as follows:

Management

	2023	2022
	Provision of services and activities £	Total activities £
Running of Brookleigh	42,723	34,853
Insurance	5,069	5,102
Payroll administration	2,640	2,640
Staff training	6,492	9,883
	<u>56,924</u>	<u>52,478</u>

Finance

	2023	2022
	Provision of services and activities £	Total activities £
Bank charges	<u>469</u>	<u>1,739</u>

NOTES TO THE FINANCIAL STATEMENTS - continued
for the year ended 31 March 2023

10. SUPPORT COSTS - continued
Governance costs

	2023 Provision of services and activities £	2022 Total activities £
Independent examination services	2,400	2,320
Legal fees	14,627	36,542
Accountancy	3,750	3,500
Accountancy - prior year underprovision	<u>1,680</u>	<u>-</u>
	<u>22,457</u>	<u>42,362</u>

11. TRUSTEES' REMUNERATION AND BENEFITS

There were no trustees' remuneration or other benefits for the year ended 31 March 2023 nor for the year ended 31 March 2022.

Trustees' expenses

There were no trustees' expenses paid for the year ended 31 March 2023 nor for the year ended 31 March 2022.

12. STAFF COSTS

	2023 £	2022 £
Wages and salaries	476,752	498,705
Social security costs	24,947	23,377
Other pension costs	<u>8,714</u>	<u>8,123</u>
	<u>510,413</u>	<u>530,205</u>

The average monthly number of employees during the year was as follows:

	2023	2022
Charitable activities	29	32
Management and administration	<u>5</u>	<u>5</u>
	<u>34</u>	<u>37</u>

No employees received emoluments in excess of £60,000.

The total key management personnel remuneration was £71,372 (2022 - £84,828). No employees received emoluments in excess of £60,000.

13. COMPARATIVES FOR THE STATEMENT OF FINANCIAL ACTIVITIES

	Unrestricted fund £	Restricted funds £	Total funds £
INCOME AND ENDOWMENTS FROM			
Donations and legacies	84,744	7,501	92,245
Charitable activities			
Provision of services and activities	619,141	60,925	680,066
Other trading activities	24,655	-	24,655
Investment income	<u>16</u>	<u>-</u>	<u>16</u>
Total	<u>728,556</u>	<u>68,426</u>	<u>796,982</u>
 EXPENDITURE ON			
Raising funds	8,301	-	8,301
Charitable activities			
Provision of services and activities	<u>637,905</u>	<u>50,932</u>	<u>688,837</u>
Total	<u>646,206</u>	<u>50,932</u>	<u>697,138</u>
 NET INCOME	82,350	17,494	99,844
Transfers between funds	<u>12,754</u>	<u>(12,754)</u>	<u>-</u>
Net movement in funds	95,104	4,740	99,844
 RECONCILIATION OF FUNDS			
Total funds brought forward	85,762	3,888	89,650
 TOTAL FUNDS CARRIED FORWARD	<u>180,866</u>	<u>8,628</u>	<u>189,494</u>

NOTES TO THE FINANCIAL STATEMENTS - continued
for the year ended 31 March 2023

14. TANGIBLE FIXED ASSETS

	Freehold property £	Fixtures and fittings £	Motor vehicles £	Totals £
COST				
At 1 April 2022	79,091	56,865	34,015	169,971
Additions	<u>-</u>	<u>1,401</u>	<u>-</u>	<u>1,401</u>
At 31 March 2023	<u>79,091</u>	<u>58,266</u>	<u>34,015</u>	<u>171,372</u>
DEPRECIATION				
At 1 April 2022	-	34,213	17,563	51,776
Charge for year	<u>-</u>	<u>4,785</u>	<u>4,113</u>	<u>8,898</u>
At 31 March 2023	<u>-</u>	<u>38,998</u>	<u>21,676</u>	<u>60,674</u>
NET BOOK VALUE				
At 31 March 2023	<u>79,091</u>	<u>19,268</u>	<u>12,339</u>	<u>110,698</u>
At 31 March 2022	<u>79,091</u>	<u>22,652</u>	<u>16,452</u>	<u>118,195</u>

The market value of the freehold property on a current use basis is estimated by the trustees to be in excess of £250,000.

15. DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2023 £	2022 £
Trade debtors	18,463	15,560
Prepayments and accrued income	<u>2,960</u>	<u>2,108</u>
	<u>21,423</u>	<u>17,668</u>

16. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2023 £	2022 £
Trade creditors	12,929	4,863
Other creditors	<u>330,004</u>	<u>341,421</u>
	<u>342,933</u>	<u>346,284</u>

Deferred income relates to funding received before the year end for future periods. The balance included within creditors relates to amounts deferred during the reporting period of £51,487 (2022 - £27,158). All amounts have been released in the current period from the previous year.

Other creditors includes an interest free loan of £151,000 secured on land and buildings, for which no specific repayment terms have been agreed.

NOTES TO THE FINANCIAL STATEMENTS - continued
for the year ended 31 March 2023

17. LEASING AGREEMENTS

Minimum lease payments under non-cancellable operating leases fall due as follows:

	2023	2022
	£	£
Within one year	25,656	22,056
Between one and five years	<u>19,542</u>	<u>39,126</u>
	<u>45,198</u>	<u>61,182</u>

Included within expenses are charges relating to operating lease rentals of £26,736 (2022 - £4,056).

18. SECURED DEBTS

The following secured debts are included within creditors:

	2023	2022
	£	£
Other creditors	<u>151,000</u>	<u>151,000</u>

Other creditors are secured on land and buildings.

19. MOVEMENT IN FUNDS

	At 1.4.22	Net movement in funds	At 31.3.23
	£	£	£
Unrestricted funds			
General fund	180,865	(17,411)	163,454
Restricted funds			
Gateway Club fund	62	-	62
Day Services project	45	(45)	-
Drama fund	165	(165)	-
Service user activities fund	500	-	500
Sign fund	911	(911)	-
National Lottery Community Fund: RC Yorkshire and Humber Region	6,749	10,118	16,867
Workforce Retention and Recruitment Fund	197	(197)	-
Children's activities fund	-	867	867
	<u>8,629</u>	<u>9,667</u>	<u>18,296</u>
TOTAL FUNDS	<u>189,494</u>	<u>(7,744)</u>	<u>181,750</u>

NOTES TO THE FINANCIAL STATEMENTS - continued
for the year ended 31 March 2023

19. MOVEMENT IN FUNDS - continued

Net movement in funds, included in the above are as follows:

	Incoming resources £	Resources expended £	Movement in funds £
Unrestricted funds			
General fund	656,548	(673,959)	(17,411)
Restricted funds			
Day Services project	-	(45)	(45)
Drama fund	-	(165)	(165)
Sign fund	-	(911)	(911)
National Lottery Community Fund: RC Yorkshire and Humber Region	85,157	(75,039)	10,118
Workforce Retention and Recruitment Fund	-	(197)	(197)
HUB Project Fund	5,000	(5,000)	-
YBS Summer Fund	1,968	(1,968)	-
Children's activities fund	1,584	(717)	867
	<u>93,709</u>	<u>(84,042)</u>	<u>9,667</u>
TOTAL FUNDS	<u>750,257</u>	<u>(758,001)</u>	<u>(7,744)</u>

Comparatives for movement in funds

	At 1.4.21 £	Net movement in funds £	Transfers between funds £	At 31.3.22 £
Unrestricted funds				
General fund	85,762	82,349	12,754	180,865
Restricted funds				
Let's Get Digital Grant	-	3,656	(3,656)	-
Gateway Club fund	2,267	-	(2,205)	62
Day Services project	45	-	-	45
Drama fund	165	-	-	165
Service user activities fund	500	-	-	500
Sign fund	911	-	-	911
National Lottery Community Fund: RC Yorkshire and Humber Region	-	13,642	(6,893)	6,749
Workforce Retention and Recruitment Fund	-	197	-	197
	<u>3,888</u>	<u>17,495</u>	<u>(12,754)</u>	<u>8,629</u>
TOTAL FUNDS	<u>89,650</u>	<u>99,844</u>	<u>-</u>	<u>189,494</u>

NOTES TO THE FINANCIAL STATEMENTS - continued
for the year ended 31 March 2023

19. MOVEMENT IN FUNDS - continued

Comparative net movement in funds, included in the above are as follows:

	Incoming resources £	Resources expended £	Movement in funds £
Unrestricted funds			
General fund	728,556	(646,207)	82,349
Restricted funds			
Let's Get Digital Grant	3,686	(30)	3,656
National Lottery Community Fund: RC Yorkshire and Humber Region	36,299	(22,657)	13,642
Workforce Retention and Recruitment Fund	24,625	(24,428)	197
Infection Control	3,816	(3,816)	-
	<u>68,426</u>	<u>(50,931)</u>	<u>17,495</u>
TOTAL FUNDS	<u>796,982</u>	<u>(697,138)</u>	<u>99,844</u>

A current year 12 months and prior year 12 months combined position is as follows:

	At 1.4.21 £	Net movement in funds £	Transfers between funds £	At 31.3.23 £
Unrestricted funds				
General fund	85,762	64,938	12,754	163,454
Restricted funds				
Let's Get Digital Grant	-	3,656	(3,656)	-
Gateway Club fund	2,267	-	(2,205)	62
Day Services project	45	(45)	-	-
Drama fund	165	(165)	-	-
Service user activities fund	500	-	-	500
Sign fund	911	(911)	-	-
National Lottery Community Fund: RC Yorkshire and Humber Region	-	23,760	(6,893)	16,867
Children's activities fund	-	867	-	867
	<u>3,888</u>	<u>27,162</u>	<u>(12,754)</u>	<u>18,296</u>
TOTAL FUNDS	<u>89,650</u>	<u>92,100</u>	<u>-</u>	<u>181,750</u>

NOTES TO THE FINANCIAL STATEMENTS - continued
for the year ended 31 March 2023

19. MOVEMENT IN FUNDS - continued

A current year 12 months and prior year 12 months combined net movement in funds, included in the above are as follows:

	Incoming resources £	Resources expended £	Movement in funds £
Unrestricted funds			
General fund	1,385,104	(1,320,166)	64,938
Restricted funds			
Let's Get Digital Grant	3,686	(30)	3,656
Day Services project	-	(45)	(45)
Drama fund	-	(165)	(165)
Sign fund	-	(911)	(911)
National Lottery Community Fund: RC Yorkshire and Humber Region	121,456	(97,696)	23,760
Workforce Retention and Recruitment Fund	24,625	(24,625)	-
Infection Control	3,816	(3,816)	-
Hub Project Fund	5,000	(5,000)	-
YBS Summer Fund	1,968	(1,968)	-
Children's activities fund	<u>1,584</u>	<u>(717)</u>	<u>867</u>
	<u>162,135</u>	<u>(134,973)</u>	<u>27,162</u>
TOTAL FUNDS	<u><u>1,547,239</u></u>	<u><u>(1,455,139)</u></u>	<u><u>92,100</u></u>

Let's Get Digital Grant. The Department for Digital, Culture, Media and Sport (DCMS), Pears Foundation and National Lottery have provided funding to support organisations through the Covid-19 outbreak. Mencap will be administering this fund to Network Partners through our "Let's Get Digital" programme. Mencap and Scarborough and District Mencap wish to work together to develop digital strategies and increase digital inclusion of people with a learning disability through this fund. This fund is now closed.

The Day Services Project fund relates to monies received to be spent to benefit this service.

The Drama fund relates to monies received to be spent to benefit this service.

The Sign fund relates to monies received to be spent on new signage. This fund is now closed.

The National Lottery Community Fund: RC Yorkshire and Humber Region has enabled us to set up a Active Community Engagement project aimed at providing additional choices and experiences for local people with a learning disability and enhancing their lives and opportunities. This fund runs from October each year and further expenditure will occur from this fund in 2023/2024.

The Workforce Retention and Recruitment Fund has been used as specified by NYCC. The fund has been used on staff recruitment, retention and bank staff as detailed in the returns to the local authority. This fund is now closed.

Infection control fund relates to the monies from the Covid-19 fund.

The Hub Project Fund relates to monies received for the development of the hub in the town centre for the use of service users.

The YBS Summer Fund relates to a donation from YBS for children's activities.

19. MOVEMENT IN FUNDS - continued

Children's activities fund relates to a donation from ex-service user spent over last year and also this year.

20. RELATED PARTY DISCLOSURES

There were no related party transactions for the year ended 31 March 2023.