

Charity registration number 270700

Company registration number 01204400 (England and Wales)

MENPHYS LIMITED

**ANNUAL REPORT AND
FINANCIAL STATEMENTS**

**FOR THE YEAR ENDED
31 MARCH 2023**

MENPHYS LIMITED

LEGAL AND ADMINISTRATIVE INFORMATION

Trustees

M J D Traynor OBE FIH - Chair
N J Hammonds - Vice Chair
S E Abraham NNEB - Honorary Treasurer
I D Knight LLB Solicitor (non practising)
Prof G W E Rees BA MSc PhD
A J Daly BSc PGCE
L Franklin LLB FCILEx
E L Spradbury BA MCIPD
L C Marsden

President Jennifer, Lady Gretton

Chief Executive Officer I Caldwell

Charity number 270700

Company number 01204400

Principal address

Bassett Centre
Bassett Street
Wigston
Leicester
LE18 4PE

Registered office

West Walk Building
110 Regent Road
Leicester
LE1 7LT

Auditor

Newby Castleman LLP
West Walk Building
110 Regent Road
Leicester
LE1 7LT

MENPHYS LIMITED

LEGAL AND ADMINISTRATIVE INFORMATION

Bankers

National Westminster Bank Plc
1 Granby Street
Leicester
LE1 6EJ

Santander UK Plc
1st Floor Operations Block
Bridle Road
Bootle
Merseyside
L30 4GB

Barclays Bank Plc
Town Hall Square
Leicester
Leicestershire
LE87 2BB

MENPHYS LIMITED

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MENPHYS LIMITED

TRUSTEES' REPORT

FOR THE YEAR ENDED 31 MARCH 2023

The Trustees who are Directors of the charitable company present their report and financial statements for the year ended 31st March 2023.

The financial statements have been prepared in accordance with the accounting policies set out in note 1 to the financial statements and comply with the charity's governing document, the Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland (FRS 102), Accounting and Reporting by Charities: Statement of Recommended Practice for charities applying FRS 102 (October 2019), the Charities Act 2011, the Companies Act 2006 and UK Generally Accepted Accounting Practice.

OBJECTIVES & ACTIVITIES

The overall objective of the charity is to relieve and prevent suffering caused by mental or physical ill health, especially by supporting children and young people and their families. These are set out in our Vision Statement, Mission Statement and our Values.

- **Vision Statement**

Our ambition is for a future full of equal choices and opportunities for disabled children, young people and their families, empowering them to live as ordinary lives as possible and aspiring for the extraordinary.

- **Mission Statement**

Our mission is to deliver a quality service that values the views and enables the voice of disabled children, young people and their families in Leicester, Leicestershire and Rutland to be heard. We aim to provide a range of holistic, impartial, empowering specialist services both through our own resources and in partnership with the statutory authorities and other voluntary sector groups.

Within the framework of everything, we do, we aim to identify unmet needs and offer effective support, which is in line with current legislation and concepts of good practice.

We value diversity and believe that every child or young person, whatever their needs, has the equal right to take part fully in their community and to have the same choices, opportunities and experiences as other children. Our ambition is to help families live as ordinary lives as possible.

- **Values**

Menphys aims to work effectively and efficiently with regards to the law and the following values:

- We respect the individual, value diversity and are committed to equality, empowerment, independence and inclusion.
- We work to a model of participation, partnership and co-production and recognise the importance of consultation with, and the contribution from parents/carers, children and young people and our professional partners and staff.
- We aim to provide an exceptional and quality service, which is value for money.
- We aspire to excellence, monitor, and evaluate all aspects of our work.
- Safeguarding children and young people are at the heart of our service.
- We recognise that there can be an increased vulnerability of the children and young people, and their families, who are referred to our services that can be related to a poverty in resources, relationships and identity.
- We work as a team with a culture of openness, honesty, transparency, accountability, integrity, care and compassion.

MENPHYS LIMITED

TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2023

- We continually respond to the changes in individual circumstances, legislation and local priorities.
- Menphys is committed to providing a confidential service to its users, meeting all the requirements of GDPR.
- We abide by the 'Fundraising Promise' and adhere to the Fundraising Regulators "Code of Fundraising Practice" as a model of best practice in our fundraising activity.

• Aims & Objectives

Menphys continues to focus on the development of the Charity's management and operational structures and resources, with the aim of building a sustainable funding model whilst continuing to provide high quality care and services.

The delivery of services is aligned around 4 core service pillars: Clubs & Groups; Family Support; Individual Support; Employability and Work Experience.

The growth, expansion and development of services has now been set out in the Charity's 3 year strategy which aligns with the key aims of the Charity. These aims are to:

- Continue to support the unmet needs of disabled children, young people and their families in Leicester, Leicestershire, and Rutland, and,
- Not to duplicate or substitute for services that are provided by Government but add value to these services.

Whilst these aims are underpinned by the significant investment that Menphys continues to make in its core facilities the immediate and future growth and expansion of services has been enabled through key partnerships and the development of services in a number of locations across the City and Counties.

The Hub continues to be the Head Office for the Charity and a focus for the delivery, development and expansion of services as well as core event fundraising, community activities and commercial trading.

The Donation Centre, along with Latimer St, provides valuable income to the charity, incorporating both a coffee shop and shops for selling donated goods. The Donation Centre has also been ear-marked for the development of the new Family Support Service with office accommodation being developed in readiness.

The 'out-base' model developed at Barley Croft some years ago has been extended to Parent & Toddler Groups and After School Clubs. Menphys now operates from a total of 12 locations enabling Menphys to reach more families from across a much broader geography of the city and county.

Collaboration with key partners, such as the Leicester Riders, Leicester City Football Club and Leicestershire County Cricket, is a key enabler of the growth and expansion elements of the strategy and is set to continue.

Menphys remain committed to providing and developing a range of holistic services for families with children and young people with disabilities from across Leicester, Leicestershire, and Rutland. This will continue to be founded on research and understanding of their broader needs.

The charity measures the impact of its aims and objectives by monitoring participation levels of service users in the various services and activities the charity provides. This is measured in numbers of participants and in the number of hours of participation.

Activities

1) Menphys Activity Clubs and Groups

The Menphys Saturday and After School Clubs operate during term time offering children and young people with a range of disabilities the opportunity to meet within a friendly, supportive and

MENPHYS LIMITED

TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2023

needs-led environment. Here they can enjoy social engagement with other children, develop social confidence and new skills and build friendships and have fun. These Clubs also support Club Member's parents, carers and siblings, providing them with much needed respite.

The Parent & Toddler Groups provide opportunities for parents of young children to come together in a supported play environment where they benefit from the interaction and companionship of other parents whilst their children benefit from greater social inclusion through play in the very early years of their lives.

2) Family Support

The Family Support pilot has continued to deliver significant support and secure much needed benefits for families assisting them to complete applications for Disability Living Allowance (DLA) and Personal Independence Payments (PIP) allowances, school provisions and Education Health and Care Plans (EHCPs).

3) Individual Support

Menphys provides tailored opportunities and support. These are aimed at meeting the particular needs of individuals and groups of children, young people and their families. Support is delivered directly by Menphys staff, volunteers or through specialist and trusted third party providers.

This enables children and young people to enjoy life enriching experiences with their families. It also provides them with life-enhancing skills and personal development opportunities.

4) Experience and Employability Programme

Prior to COVID Menphys operated 2 employability and life skills programmes for young adults with a disability, the Work Ready Crew (WRC) and Volunteer Development Programmes (VDP) offering high quality work experience to support the transition into adulthood.

Evidence from the two pilots and further research in 2022-23 has shown that young people with a disability often need extra help to build key life skills and confidence, particularly in the context of work. They also need access to employers who are in tune with their needs.

Using this research, Menphys will now look to develop a single Employability Programme that will support young people as they transition into adulthood.

5) The Menphys Nurseries

Menphys Limited is associated with the two Leicestershire County Council run and maintained Nursery Schools at Launceston Road, Wigston, Leicester LE18 2FR and Sketchley Hill, Burbage, LE10 2DY. Funding for the construction of both these Nurseries was provided by Menphys Limited, and the charity continues to provide adhoc additional financial support when required.

To maintain the link, two representatives from the Menphys Charity sit on the Governing Body of both Maintained Nursery Schools.

• Public Benefit Statement

The Trustees confirm that they have referred to the guidance contained in the Charity Commission's general guidance on public benefit when reviewing the charity's aim and objectives. The charity provides public benefit through the services provided to all disabled children, young people and their families in Leicester, Leicestershire, and Rutland.

Menphys volunteers continued to play a key role in the delivery of services and events during the year. Whilst the number of volunteers supporting the charity has increased in all locations throughout the year this is a key area of focus for further growth in 2023.

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TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2023

ACHIEVEMENTS AND PERFORMANCE

Throughout the year the number of children and families registered with Menphys for support continued to grow. This enabled Menphys to extend its reach and grow its impact by providing more immediate and longer term social benefits to the children, young people and families and wider communities we support through increasing participation and expanded and new service developments.

These achievements include:

1) Menphys Activity Clubs and Groups

Menphys operate a range of clubs to provide children and young people, with a range of disabilities, with the opportunity to meet within a friendly, supportive and needs-led environment where they can enjoy social engagement with other children, develop social confidence and new skills and build friendships and have fun.

- The original 4 Menphys Saturday Clubs continue to thrive with members enjoying 2,784 hours of participation, whilst providing their parents and siblings with approximately 8,352 hours of respite.
- The Menphys Afterschool provisions continued to grow and expand through the collaborations with the Leicester Riders and Leicester City Football Club Community Foundations including the launch of a new club at the Morningside Arena in November 2022. In total, members enjoyed 1,008 hours of regular sports with parents and siblings benefiting from approximately 3,024 hrs of respite.
- 3 basketball holiday camps were provided during school holidays at the Morningside Arena, extending the collaboration with the Leicester Riders Foundation. Camps operated for a total of 8 days, providing 281 hours of exclusive sports coaching for the children and family respite of 843 hrs.
- The Mini-Menphys parent and toddler programme operated throughout term time for families across the City and County in 7 locations, providing children under the age of 5 with 1,260 hours of parent led play.
- Menphys relaunched its soft play holiday programme for young children with families enjoying 464 hours of play spread across 20 sessions.
- The Menphys Music Afterschool Club was launched in January 2022 on Microsoft Teams before moving to face to face at the Hub in April 2022. Sessions at the Hub cover a range of regular music activities for children, with their parents, over 37 weeks providing approximately 280 hours of child / parent participation.

2) Employability and Life Skills Programmes

- 1 young person continued their work experience programme at the Hub completing this in July 2022, continuing this as a volunteer throughout the autumn before becoming a volunteer in the Menphys Saturday Clubs.

In total they were provided with a total of 135 hours of work experience.

- Menphys also continued its research into the employment and work experience options in Leicestershire for young people with disabilities. Trustees have now designated £35,000 of reserves to enable additional project resource to be recruited to accelerate the development of the Menphys Employability and Work Experience Programme.

3) Individual Support

- The Menphys Communication project is a life-enhancing programme designed to help children to develop language and communications skills. It provides non-verbal children with early access to a communications device, an i-pad preloaded with one of 2 specialist communications apps.

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FOR THE YEAR ENDED 31 MARCH 2023

This ongoing project has been delivered in collaboration with 5 local SEN and one mainstream school utilising a grant of £25k from the Randal Foundation.

Now in its 2nd year the project has successfully helped accelerate the speech and language development of the children participating in the programme. Most notably the programme has provided the evidence required for 11 children to be accepted by the Local Authority on to their Electronic Assistive Technology Service (EATS), which will provide them with a device.

This, in turn, has enable their Menphys device to be recycled back in to the programme and distributed to other children joining the programme.

- Menphys conducted a further 5 small surveys with families accessing services with Menphys to further improve our understanding of the needs of their children.
- Mini Menphys P&T Survey
- The Menphys Christmas Appeal provided a total of 1,198 children with a Christmas gift, with 901 gifts delivered to the children's homes by Menphys volunteers. A further 297 gifts were provided to children visiting Review.io's disability friendly 'Santa's Grotto' in Leicester
- 24 children completed a 6 week programme of cycling lessons – The Menphys Mini Bikers – equating to 131.25 hours of training.
- 6 children took part in the Menphys Comedy 1 day Workshop & Comedy Showcase at the Menphys Hub (part of the Leicester Comedy Festival) equating to 36 hrs of enrichment and approximately 108 hours of family respite. Families were also treated to a comedy showcase by the children at the Menphys Hub at the end of the workshop.

4) Family Support

- The pilot Family Support Service continued throughout the year taking on a further 25 cases providing support with Disability Allowance Applications (DLA), letters of support, school places, etc.

Menphys helped families secure nearly £44,000 of benefits.

Following the success of the pilot programme Menphys have designated £250k to fund its development into a core service launching in the autumn of 2023.

- The number of children registered with Menphys continued to grow with a further 493 children added by March 2023 bring total registrations to 1,234.
- 21 family events were run during the year enabling children and their families to access a wide and varied range of life enhancing and inclusive opportunities including: canal boat trips; cinema visits; zoo visits and other excursions.

Children and families enjoyed a total of 5,240 hours of activities with the programme.

5) Community Support

The Menphys Hub and The Donation Centre continue to provide support to the local community through the provision of volunteering opportunities for members of the local community in the Coffee Shop, Shops and Library.

The Menphys Hub, especially the Library, is a valuable community resource in South Wigston. In addition to providing meeting rooms and disability friendly facilities it is also a place for people to meet and to access library services.

In addition to the conventional services, the Library also has a 'community table' which is available to local community groups on a free of charge basis to come together and to support members.

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TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2023

Groups regularly using the Community Table during the year had a total of approximately 40 members:

- South Wigston Knit & Natter Group
- South Wigston Morse Bags – Textiles recycling group
- South Wigston All Minds Matter - Wellbeing & Mental Health Group
- Retro Games – Computer gaming wellbeing group

FINANCIAL REVIEW

The results for the year ended 31 March 2023 are shown in the Statement of Financial Activities on page 15. This, together with the balance sheet on pages 16-17, should be read in conjunction with the related notes which have been prepared in accordance with the Charities SORP 2019 (FRS 102).

Total income for the year amounted to £777,639 (2022 - £1,255,508). The principal funding source continued to be income from legacies and donations including the sale of donated goods. Total expenditure for the year amounted to £838,103 (2022 - £636,099). A breakdown of expenditure is set out in notes to the financial statements.

After transfers between funds, there was a net decrease in unrestricted funds for the year totalling £35,189 and a net decrease in restricted funds totalling £25,235. This has resulted in a total decrease in funds for the year of £60,424. The funds for the charity at the year-end totalled £1,528,451 which comprise restricted funds of £214,875 and unrestricted funds of £1,313,576, of which £635,901 has been designated (for the purposes stated in note 23) leaving £677,675 as general funds.

Reserves Policy

Reserves are needed to provide financial resilience to cope with periods of adverse financial conditions, most notably an unforeseeable reduction in income or inflationary pressures on the Charity's operating costs. The Charity's reserves policy is to maintain free reserves (unrestricted general funds less tangible and intangible fixed assets and designated funds) to a level of 9 months of budgeted expenditure, being approximately £855,000.

This will allow the Charity's core activities to be maintained in the short to medium term. As at 31 March 2023 the Charity currently has free reserves of £616,115 (see note 24), made up of its Investments and Current Assets/(Liabilities), this is the equivalent of 5-6 months of expenditure.

Fundraising

Expenditure on raising funds totalled £424,601 (2022 - £308,595) which helped generate income from donations of £130,293 (2022 - £176,344) and income from other trading activities of £272,063 (2022 - £155,714).

Fundraising was bolstered by the receipt of legacies of £261,418 (being Menphys estimated share of the estates). This was very welcome news enabling Trustees to strengthen their commitment to continue the growth, expansion and development of services.

A full events programme was delivered during the year including, The Menphys Sports Club, an Evening With Martin O'Neill and the first Menphys Carol Concert since the COVID pandemic outbreak. All were successful however surplus' from the programme were lower than hoped for.

At the same time, grant funding was also more challenging as Grant Giving organisations saw their funds being oversubscribed. Nevertheless, a number of organisations did provide funding.

There were 12 organisations providing funding during 2022/23 totalling £16,336, the most notable being two SHIRE Community grants from Leicestershire County Council totalling £7,890.

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TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2023

More positively, Corporate & Community givers continued to support a number fundraising initiatives, with the Christmas List along with individual fundraisers, such as the London Marathon, making a notable contribution to funds.

Sales at the new Donation Centre shop and coffee shop and at the Latimer Street shop improved steadily throughout the year despite the continued challenges on the high street post COVID and the underlying cost of living challenges. Whilst they are not yet trading at the level required, there was very good progress made in the operation of the shops and this is reflected in consistently improving sales income.

The Hub also generated income from community events: craft fairs; music and comedy events; third party bookings, such as parties; business networking events and meetings.

All fundraising undertaken during the year was carried out directly by the charity and in line with the charity's objectives. In order to protect vulnerable people from unreasonably intrusive or persistent fundraising approaches and pressure to donate, the charity does not make direct approaches to individual members of the public. No complaints about its fundraising activities were received by the charity during the year.

Risk Management

The trustees have identified and reviewed the major risks to which the charity is exposed. Procedures have been established to mitigate these risks and are regularly addressed at the Board meetings. Principal risks identified for the year ahead include the continued high levels of inflation and with it the cost of living, recruitment and grant funding.

- Inflationary pressure on wage costs and relatively high levels of employment are making recruitment more difficult
- Increasing costs limit our ability to support the growing need for help particularly whilst increasing demand as local authority provisions are reduced.
- This is against a backdrop of continued fundraising challenges with funders continuing to face increase demand for their support.

PLANS FOR THE FUTURE

The development of the new 3 year strategy has provided clarity of purpose and priorities set around the 4 key service pillars.

Our key priorities are:

- The development of services to reflect immediate, emerging, and growing needs,
- To grow participation in existing services, expand those services to new locations so families can more readily access our support and to develop new services that address unmet and emerging needs.
- The reshaping of existing fundraising plans to reflect the changing behaviours, needs and limitations of individuals, businesses, and funding organisations.

This is with the specific aims of meeting the needs of a wide range of children and young people with disabilities, and their families, within the limits of our own resources through the following key areas of focus:

1. Activity Clubs and Groups:

- To maintain existing clubs and groups and to maximise the number of families accessing them.

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TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2023

- To expand our club and groups to more locations in the city and county so more families can access them.
- To continue to work with our partners to enhance the number and qualities of our clubs and groups

2. Employability & Life-skills:

- Trustees have designated £35k to develop employability and work experience into a key service pillar that will provide young people with disabilities with work insights and experience and the skills to open their opportunities to employment.

3. Individual Support:

To develop and deliver more tailored opportunities for children, young people and their families including:

- Experiences for individual young people and their families which enrich lives. These may be exclusive or inclusive and include opportunities such as family events, Christmas List and more.
- Bespoke programmes which build individual life skills to promote social inclusion and personal development through projects, e.g. Mini-bikers, the Communications Device project.
- The provision of an extensive Social Inclusion Programme (SIP) providing a range of ad-hoc events and activities, at the Hub and other locations.

4. Family Support:

The success of the pilot Family Support Service has provided the necessary insights and confidence for trustees to designate £250k to fund the launch of the Family Support Service as a core Menphys Service in the autumn of 2023.

5. Community Services

- To maintain the support for the Adult Learning Service and Library Service as an integral part of the Menphys community offer at the Hub whilst collaborating with the County and District Councils to maximise the benefit of the Menphys Hub for the residents of South Wigston and adjoining areas.
- To promote all the services and facilities at the Hub to the wider community of South Wigston and the surrounding area both directly and through our own community events.

6. Retail Operations

- To continue to invest in the development of the existing charity shops at the Donation Centre, Latimer Street and at the Hub to maximise the income and the other benefits it provides for the Charity.
- To invest in the development of retail operations as places for young people with disabilities to gain work experience and life-skills as identified by our research in to their needs.

The priority of the Board is to ensure that sufficient funds are available to maintain the current range of services to a high standard. The current financial position is such that the trustees are confident that the charity has adequate resources for the immediate future.

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TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2023

STRUCTURE, GOVERNANCE AND MANAGEMENT

Menphys Limited is a company limited by guarantee and governed by its Memorandum and Articles of Association. It is a charity registered with the Charity Commission. It exists to provide support and services for children and young people with disabilities and to support their families and carers. The services are provided throughout Leicester, Leicestershire, and Rutland.

The following Board of Trustees have served since 1 April 2022:

- M J D Traynor OBE, FIH – Chair (Resigned 23rd Jan, 2023)
- I D Knight LL.B Solicitor (non-practising) – Chair
- N J Hammonds - Vice Chair
- S Abraham NNEB - Honorary Treasurer
- Prof. G W E Rees BA MSc PhD
- A Daly BSc PGCE
- L Marsden
- E Spradbury BA, MCIPD
- L Franklin LL.B FCILEx

The Trustees are appointed in accordance with the Company's Articles of Association and are chosen to bring in the various knowledge, skills, and experience required to meet the charity's objectives. New trustees are required to be put forward for re-election at the AGM following their appointment. Of the remaining trustees, one third, being the longest serving on the board, will also be put forward for re-election, if willing and proposed.

At the AGM, the Board elects a Chairman, Vice Chairman and Honorary Treasurer for an annual term. The duties and responsibilities of trustees are set out in papers issued to every board member. The guidance is reviewed regularly and re-issued, when necessary, after evaluating practice against documents such as "The Hallmarks of an Effective Charity" (Charity Commission) and The Code of Good Governance.

- **Management**

The Charity continues to develop its management structure, reflecting the growth of its services and activities as set out in its 2023-25 Strategy and its focus on more sustainable sources of income. It is envisaged that this will continue for the foreseeable future as more need and demand is identified and the range of services increased.

The Trustees delegate the day to day running of the charity to the Chief Executive Officer, Ian Caldwell who is supported by a number of managers with responsibilities for Services, Operations, Finance & Administration and Fundraising. Pay for the key management personnel is delegated by the trustee Board to the Remuneration Sub-committee who will consider prevailing rates of employment and inflation in their decision making.

STATEMENT OF TRUSTEES' RESPONSIBILITIES

The Trustees (who are also the Directors of Menphys Limited for the purposes 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

MENPHYS LIMITED

TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2023

application of resources, including the income and expenditure, of the charitable company for that period. 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 2015 (FRS 102 October 2019).
- 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.
- 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 proper 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.

In so far as the trustees are aware:

- There is no relevant audit information of which the charitable company's auditor is unaware; and
- The trustees have taken all steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditor is aware of that information.

The trustees are responsible for the maintenance and integrity of the corporate and financial information included on the charitable company's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

AUDITORS

A resolution to reappoint Newby Castleman as auditors will be put to the members at the forthcoming Annual General Meeting.

This report has been prepared in accordance with the special provisions relating to small companies within Part 15 of the Companies Act 2006.

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I D Knight LL.B Solicitor (non-practising)
Chair of the Board of Trustees

MENPHYS LIMITED

INDEPENDENT AUDITOR'S REPORT TO THE TRUSTEES OF MENPHYS LIMITED

Opinion

We have audited the financial statements of Menphys Limited (the 'charitable company') for the year ended 31 March 2023 which comprise the Statement of Financial Activities, the Balance Sheet, the Statement of Cash Flows and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including FRS 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland* (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the charitable company's affairs as at 31 March 2023 and of its incoming resources and application of resources, including its income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

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

Conclusions relating to going concern

In auditing the financial statements, we have concluded that the trustees' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the charitable company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

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

Other information

The other information comprises the information included in the Trustee's Report other than the financial statements and our auditor's report thereon. The trustees are responsible for the other information contained within the Trustee's Report. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the course of the audit, or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

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INDEPENDENT AUDITOR'S REPORT (CONTINUED) TO THE TRUSTEES OF MENPHYS LIMITED

Matters on which we are required to report by exception

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

- the information given in the financial statements is inconsistent in any material respect with the trustees' report; or
- the charitable company has not kept adequate accounting records; or
- the financial statements are not in agreement with the accounting records and returns; or
- we have not received all the information and explanations we require for our audit.

Responsibilities of trustees

As explained more fully in the trustees' responsibilities statement set out on page 10, the trustees (who are also the directors of the charitable company for the purpose of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the trustees are responsible for assessing the charitable company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the trustees either intend to liquidate the charitable company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

We have been appointed as auditor under section 144 of the Charities Act 2011 and report in accordance with regulations made under section 154 of that Act.

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud, is detailed below.

Extent to which the audit was considered capable of detecting irregularities, including fraud

We identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and then design and perform audit procedures responsive to those risks, including obtaining audit evidence that is sufficient and appropriate to provide a basis for our opinion. However, responsibility for the prevention and detection of fraud ultimately rests with both those charged with governance and management of the charitable company.

In identifying and assessing risks of material misstatement in respect of irregularities, including fraud and non-compliance with laws and regulations, our procedures included the following:

- obtaining an understanding of the legal and regulatory framework applicable to the charitable company by considering the nature of the industry in which the charitable company operates and enquiring of management; and
- identifying the key laws and regulations considered to have a direct impact on the financial statements including the UK Companies Act 2006, UK Charities Act 2011, UK Generally Accepted Accounting Practice and UK tax legislation; and

MENPHYS LIMITED

INDEPENDENT AUDITOR'S REPORT (CONTINUED) TO THE TRUSTEES OF MENPHYS LIMITED

- assessing how the charitable company is complying with the applicable legal and regulatory framework by making further enquiries of management and observing the company's control environment regarding compliance with regulations and fraud prevention; and
- assessing the susceptibility of the charitable company's financial statements to material misstatement, including how fraud might occur, by considering the effectiveness of the charitable company's accounting systems and controls and how these were monitored by management. Where the risk of material misstatement was considered to be higher in certain areas, further audit procedures were designed to address this increased risk; and
- discussing amongst the engagement team how and where fraud might occur in the financial statements and any potential indicators of fraud.

Audit response to risks identified

Our procedures to respond to risks identified included the following:

- reviewing financial statement disclosures and testing to supporting documentation to assess compliance with applicable laws and regulations; and
- enquiry of charitable company staff responsible for compliance to identify any instances of non-compliance with laws and regulations; and
- reviewing supporting documentation confirming compliance with specific laws and regulations considered central to the ability of the company to operate; and
- enquiry of management, those charged with governance and other relevant parties around actual and potential litigation claims; and
- reviewing supporting documentation regarding actual and potential litigation claims; and
- reviewing minutes of meetings of those charged with governance; and
- performing audit work over the risk of management override of controls, including testing of journal entries and other adjustments for appropriateness, evaluating the business rationale of significant transactions outside the normal course of business and reviewing accounting estimates for bias; and
- communicating identified laws and regulations and potential fraud risks to all engagement team members and assessing whether there are any indications of fraud or non-compliance with laws and regulations throughout the audit.

Because of the inherent limitations of an audit, there is a risk that we will not detect all irregularities, including those leading to a material misstatement in the financial statements or non-compliance with regulation. This risk increases the more that compliance with a law or regulation is removed from the events and transactions reflected in the financial statements, as we will be less likely to become aware of instances of non-compliance. The risk is also greater regarding irregularities occurring due to fraud rather than error, as fraud involves intentional concealment, forgery, collusion, omission or misrepresentation.

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

Use of our report

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

MENPHYS LIMITED

INDEPENDENT AUDITOR'S REPORT (CONTINUED) TO THE TRUSTEES OF MENPHYS LIMITED

Newby Castleman LLP

Chartered Accountants

Statutory Auditor

West Walk Building

110 Regent Road

Leicester

LE1 7LT

Date:.....

Newby Castleman LLP is eligible to act as an auditor in terms of section 1212 of the Companies Act 2006.

MENPHYS LIMITED

STATEMENT OF FINANCIAL ACTIVITIES INCLUDING INCOME AND EXPENDITURE ACCOUNT FOR THE YEAR ENDED 31 MARCH 2023

	Notes	Unrestricted funds 2023 £	Restricted funds 2023 £	Total 2023 £	Total 2022 £
Income from:					
Donations	3	111,637	18,656	130,293	176,344
Charitable activities	4	2,530	33,843	36,373	41,124
Other trading activities	5	272,063	-	272,063	155,714
Investments	6	77,492	-	77,492	66,493
Income from legacies	7	261,418	-	261,418	815,833
Total		725,140	52,499	777,639	1,255,508
Expenditure on:					
Raising funds	8	424,535	66	424,601	308,595
Charitable activities	9	134,160	279,342	413,502	325,023
Other	12	-	-	-	2,481
Total		558,695	279,408	838,103	636,099
Net gains/(losses) on investments		40	-	40	14
Net incoming/(outgoing) resources before transfers		166,485	(226,909)	(60,424)	619,423
Transfers between funds	22	(201,674)	201,674	-	-
Net movement in funds		(35,189)	(25,235)	(60,424)	619,423
Reconciliation of funds					
Total funds brought forward		1,348,765	240,110	1,588,875	969,452
Total funds carried forward		1,313,576	214,875	1,528,451	1,588,875

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

All income and expenditure derive from continuing activities.

MENPHYS LIMITED

BALANCE SHEET

AS AT 31 MARCH 2023

	Notes	2023 £	£	2022 £	£
Fixed assets					
Intangible assets	16		1,092		2,402
Tangible assets	17		543,019		564,387
Investments	18		301		261
			<u>544,412</u>		<u>567,050</u>
Current assets					
Stocks		1,091		1,247	
Debtors	19	142,922		356,199	
Cash at bank and in hand		913,834		724,966	
		<u>1,057,847</u>		<u>1,082,412</u>	
Liabilities					
Creditors: amounts falling due within one year	20	(73,808)		(60,587)	
Net current assets			984,039		1,021,825
Net assets			<u>1,528,451</u>		<u>1,588,875</u>
Total funds of the charity					
Restricted funds	22		214,875		240,110
Unrestricted funds:					
Designated funds		635,901		650,048	
General funds		677,374		698,456	
		<u>1,313,275</u>		<u>1,348,504</u>	
Fair value reserve	23	301		261	
		<u>1,313,576</u>		<u>1,348,765</u>	
Total charity funds	24		<u>1,528,451</u>		<u>1,588,875</u>

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

For the year ending 31 March 2023 the company was entitled to exemption from audit under section 477 of the Companies Act 2006 relating to small companies but as this company is a charity, it is subject to audit under the Charities Act 2011.

Directors' responsibilities:

- The members have not required the company to obtain an audit of its accounts for the year in question in accordance with section 476;
- The directors acknowledge their responsibilities for complying with the requirements of the Act with respect to accounting records and the preparation of financial statements.

MENPHYS LIMITED

BALANCE SHEET (CONTINUED)

AS AT 31 MARCH 2023

The financial statements were approved and authorised for issue by the board of trustees on and are signed on its behalf by:

.....
S E Abraham NNEB - Honorary Treasurer
Trustee

.....
I D Knight LLB Solicitor (non practising)
Trustee

Company Registration No. 01204400

The notes on pages 19 - 35 form part of these financial statements.

MENPHYS LIMITED

STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 31 MARCH 2023

	Notes	2023 £	£	2022 £	£
Cash flows from operating activities					
Cash generated from operations	27		124,648		427,332
Investing activities					
Purchase of tangible fixed assets		(13,272)		(35,475)	
Investment income		77,492		66,493	
Net cash generated from investing activities			64,220		31,018
Net increase in cash and cash equivalents			188,868		458,350
Cash and cash equivalents at beginning of year			724,966		266,616
Cash and cash equivalents at end of year			913,834		724,966

MENPHYS LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2023

1 Accounting policies

Charity information

Menphys Limited is a private company limited by guarantee incorporated in England and Wales. The address of the registered office and place of business is given in the legal and administrative information page of these financial statements.

1.1 Basis of preparation

The charitable company is a public benefit entity as defined by FRS 102. These financial statements have been prepared in accordance with: the Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland (FRS 102), Accounting and Reporting by Charities: the Statement of Recommended Practice for charities applying FRS 102 (2019), the Charities Act 2011, the Companies Act 2006 and UK Generally Accepted Accounting Practice.

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 £.

These financial statements are prepared under the historical cost convention modified to include the revaluation of investments. The principal accounting policies adopted are set out below. These policies have been consistently applied to all years presented unless otherwise stated.

1.2 Going concern

At the time of approving the financial statements, the trustees have a reasonable expectation that the charitable company has adequate resources to continue in operational existence for the foreseeable future. Thus the trustees continue to adopt the going concern basis of accounting in preparing the financial statements.

1.3 Charitable funds

Unrestricted funds are available for use at the discretion of the trustees in furtherance of their charitable objectives unless the funds have been designated for other purposes.

Designated funds are unrestricted funds of the charity that the trustees have decided at their discretion to set aside for specific purposes. The aim and use of each designated fund is set out in the notes to the financial statements.

Restricted funds are funds which are to be used in accordance with specific restrictions imposed by donors or which have been raised by the charity for particular purposes. The cost of raising and administering such funds are charged against the specific fund. The aim and use of each restricted fund is set out in the notes to the financial statements.

1.4 Income recognition

Income is recognised when the charitable company has legal entitlement 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.

Legacies are recognised at the earlier of the charity being notified of an impending distribution or the legacy being received. Where legacies have been notified to the charity but the criteria for income recognition have not been met, then the legacy is treated as a contingent asset and disclosed if material.

MENPHYS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2023

1 Accounting policies

(Continued)

Donated facilities and donated services are recognised as income at their fair value when their economic benefit is probable, it can be measured reliably and the charity has control over the item. Fair value is determined on the basis of the value of the gift to the charity. For example the amount the charity would be willing to pay in the open market for such facilities and services. A corresponding amount is recognised in expenditure.

Government grants are recognised at fair value when the charity has entitlement after any performance conditions have been met, it is probable that the income will be received and the amount can be measured with reliability. If entitlement is not met, then the amounts are deferred.

Income from charitable activities primarily includes grant income and subscription fees for Saturday Clubs, Work Ready Crew and the Volunteer Development Programme. Such income is recognised at fair value when the charity has entitlement after any performance conditions have been met, it is probable that the income will be received and the amount can be measured with reliability. If entitlement is not met, then the amounts are deferred.

Income from trading activities includes income earned from the retail shop and café, fundraising events and trading activities to raise funds for the charity. Income is received in exchange for supplying goods and services in order to raise funds and is recognised when entitlement has occurred. Donated items of stock for resale are not recognised in the financial statements until they are sold because the trustees consider it is impractical to fair value the items due to the large volume of low value items.

Investment income is earned through holding assets for investment purposes. It comprises bank interest, dividends and room hire income, which are recognised on an accruals basis.

1.5 Expenditure recognition

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

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

All expenditure is accounted for on an accruals basis and has been classified under headings that aggregate all costs relating to the category. Expenditure is recognised when there is a legal or constructive obligation to make a payment to a third party, it is probable that settlement will be required and the amount of the obligation can be measured reliably. It is recognised under the following headings:

- Costs of raising funds includes costs incurred in seeking donations, legacies, grants, fundraising and retail income.
- Expenditure on charitable activities notably includes charitable services and the Menphys Hub costs to further the delivery of the objectives of the charity.
- Other expenditure includes wages and salaries in respect of the Coronavirus Job Retention Scheme.

Irrecoverable VAT is charged against the category of resources expensed for which it was incurred.

1.6 Support costs

Support costs are those that assist the work of the charity but do not directly represent charitable activities and costs of raising funds and include office costs, governance costs, and administrative payroll costs. They are incurred directly in support of expenditure on the objects of the charity. Support costs are allocated to costs of raising funds and expenditure on charitable activities on a basis consistent with use of the resources.

MENPHYS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2023

1 Accounting policies

(Continued)

The analysis of these costs is included in note 11.

1.7 Intangible fixed assets

Intangible assets are recognised at cost and are subsequently measured at cost less accumulated amortisation and accumulated impairment losses.

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

Website	33% per annum of cost
---------	-----------------------

1.8 Tangible fixed assets

Tangible fixed assets are measured at cost, net of depreciation and any impairment losses.

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

Freehold land and buildings	2% per annum of cost
Short leasehold improvements	Straight line over the duration of the lease
Fixtures, fittings & equipment	15%, 20% and 33% per annum of cost

1.9 Impairment of fixed assets

At each reporting end date, the charitable company reviews the carrying amounts of its tangible and intangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset, or the asset's cash generating unit, is estimated and compared to the carrying amount in order to determine the extent of the impairment loss (if any). Where the carrying amount exceeds its recoverable amount, an impairment loss is recognised in the Statement of Financial Activities (SOFA) unless the asset is carried at a revalued amount where the impairment loss is a revaluation decrease.

1.10 Cash and cash equivalents

Cash and cash equivalents include cash in hand, deposits held at call with banks and other short-term liquid investments with original maturities of three months or less.

1.11 Financial instruments

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

Debtors and creditors with no stated interest rate and receivable or payable within one year are measured at transaction price. Any losses arising from impairment are recognised in the SOFA.

Investments in equity instruments which are not subsidiaries, associates or joint ventures, are initially measured at fair value which is normally the transaction price excluding transaction costs. Such assets are subsequently measured at fair value and the changes in fair value are recognised in the SOFA.

1.12 Employee benefits

When employees have rendered service to the charity, short-term employee benefits to which the employees are entitled are recognised at the undiscounted amount expected to be paid in exchange for that service.

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

1.13 Retirement benefits

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

MENPHYS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2023

1 Accounting policies

(Continued)

1.14 Leases

Rentals payable under operating leases, including any lease incentives received, are charged to the SOFA on a straight line basis over the term of the relevant lease.

1.15 Taxation

Menphys Limited is a registered charity and no taxation provision is required as its income from charitable activities falls within the various exemptions available to registered charities.

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.

Key sources of estimation uncertainty

The estimates and assumptions which have a significant risk of causing a material adjustment to the carrying amount of assets and liabilities are as follows.

Allocation of support costs

The allocation of support costs is sensitive to changes in the level of work undertaken on each activity by the charity. The allocation is reassessed annually and amended when necessary to reflect current estimates.

3 Income from donations

	Unrestricted funds 2023 £	Restricted funds 2023 £	Total 2023 £	Unrestricted funds 2022 £	Restricted funds 2022 £	Total 2022 £
Donations	78,887	18,656	97,543	129,643	9,220	138,863
Coronavirus Job Retention Scheme	-	-	-	-	2,481	2,481
Donated goods and services	32,750	-	32,750	35,000	-	35,000
	<u>111,637</u>	<u>18,656</u>	<u>130,293</u>	<u>164,643</u>	<u>11,701</u>	<u>176,344</u>

MENPHYS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2023

4 Income from charitable activities

	Unrestricted funds 2023 £	Restricted funds 2023 £	Total 2023 £	Unrestricted funds 2022 £	Restricted funds 2022 £	Total 2022 £
Charitable services	2,530	33,843	36,373	19,109	22,015	41,124
	<u>2,530</u>	<u>33,843</u>	<u>36,373</u>	<u>19,109</u>	<u>22,015</u>	<u>41,124</u>
Grant income	2,530	13,806	16,336	19,109	15,594	34,703
Family events	-	8,566	8,566	-	610	610
Subscriptions receivable	-	11,471	11,471	-	5,811	5,811
	<u>2,530</u>	<u>33,843</u>	<u>36,373</u>	<u>19,109</u>	<u>22,015</u>	<u>41,124</u>

5 Income from other trading activities

	Unrestricted funds general 2023 £	Restricted funds 2023 £	Total 2023 £	Unrestricted funds general 2022 £	Restricted funds 2022 £	Total 2022 £
Fundraising events	76,960	-	76,960	18,285	-	18,285
Shop sales from donated goods	117,104	-	117,104	87,219	-	87,219
Café income	77,999	-	77,999	50,210	-	50,210
	<u>272,063</u>	<u>-</u>	<u>272,063</u>	<u>155,714</u>	<u>-</u>	<u>155,714</u>

6 Income from investments

	Unrestricted funds 2023 £	Restricted funds 2023 £	Total 2023 £	Unrestricted funds 2022 £	Restricted funds 2022 £	Total 2022 £
Menphys Hub room hire	77,275	-	77,275	66,479	-	66,479
Dividends receivable	8	-	8	6	-	6
Interest receivable	209	-	209	8	-	8
	<u>77,492</u>	<u>-</u>	<u>77,492</u>	<u>66,493</u>	<u>-</u>	<u>66,493</u>

7 Income from legacies

All income from legacies recognised in the current and prior year is unrestricted.

MENPHYS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2023

8 Expenditure on raising funds

	Unrestricted funds 2023 £	Restricted funds 2023 £	Total 2023 £	Unrestricted funds 2022 £	Restricted funds 2022 £	Total 2022 £
Fundraising						
Staging fundraising events	42,543	-	42,543	17,205	-	17,205
Other fundraising costs	25,246	-	25,246	13,617	-	13,617
Staff costs	77,406	-	77,406	65,277	-	65,277
Support costs (note 11)	14,950	66	15,016	21,405	-	21,405
	<u>160,145</u>	<u>66</u>	<u>160,211</u>	<u>117,504</u>	<u>-</u>	<u>117,504</u>
Shop / Café expenses						
Operating charity shops	1,858	-	1,858	2,047	-	2,047
Café expenses	23,167	-	23,167	11,252	-	11,252
Staff costs	161,115	-	161,115	118,265	-	118,265
Support costs (note 11)	78,250	-	78,250	59,527	-	59,527
	<u>264,390</u>	<u>-</u>	<u>264,390</u>	<u>191,091</u>	<u>-</u>	<u>191,091</u>
	<u>424,535</u>	<u>66</u>	<u>424,601</u>	<u>308,595</u>	<u>-</u>	<u>308,595</u>

9 Expenditure on charitable activities

	Activities undertaken directly Note 10 £	Support Costs Note 11 £	Total 2023 £	Total 2022 £
Charitable services	216,085	65,994	282,079	211,007
Menphys Hub	72,934	27,600	100,534	85,831
Menphys Nurseries	7,920	-	7,920	7,920
SOS Closure & Restructuring	17,996	4,973	22,969	20,265
	<u>314,935</u>	<u>98,567</u>	<u>413,502</u>	<u>325,023</u>
Unrestricted funds			134,160	118,192
Restricted funds			279,342	206,831
			<u>413,502</u>	<u>325,023</u>

MENPHYS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2023

10 Expenditure on activities undertaken directly

	Charitable services £	Menphys Hub £	Menphys Nurseries £	SOS Closure & Restructuring £	Total 2023 £	Total 2022 £
Staff costs	174,540	33,139	-	3,898	211,577	149,499
Depreciation and impairment	238	7,045	7,920	14,098	29,301	27,363
Rent	-	32,750	-	-	32,750	32,750
Menphys Services costs	41,151	-	-	-	41,151	39,752
Other expenses	156	-	-	-	156	2,653
	<u>216,085</u>	<u>72,934</u>	<u>7,920</u>	<u>17,996</u>	<u>314,935</u>	<u>252,017</u>

11 Expenditure on support costs

	2023 £	2022 £
Staff costs	15,108	13,085
Depreciation and amortisation	6,648	7,255
Rent and rates	39,753	22,658
Insurance	16,025	12,599
Light and heat	26,910	19,027
Repairs and maintenance	16,754	13,826
Office and computer	35,983	34,498
Telephone	3,847	3,440
Travel	8,462	2,344
Other expenses	22,343	25,206
	<u>191,833</u>	<u>153,938</u>
Analysed between:		
Fundraising	15,016	21,405
Shop	78,250	59,527
Charitable activities	98,567	73,006
	<u>191,833</u>	<u>153,938</u>

Support costs have been allocated to activities on a relevant basis to the nature of the underlying costs in proportion to resources used. Support costs include governance costs totalling £45,958 (2022: £41,257).

The amount charged to the SOFA in respect of auditor's remuneration was:

- statutory audit £5,570 (2022 - £5,435)
- other services £Nil (2022 - £1,650)

MENPHYS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2023

12 Other expenditure

	Unrestricted funds 2023	Restricted funds 2023	Total 2023	Unrestricted funds 2022	Restricted funds 2022
Wages and salaries	-	-	-	-	2,481

13 Trustees

None of the trustees received nor waived any remuneration, benefits or reimbursements from the charity during the year, or in the previous year.

14 Taxation

The charity is exempt from tax on income and gains falling within section 505 of the Taxes Act 1988 or section 252 of the Taxation of Chargeable Gains Act 1992 to the extent that these are applied to its charitable objects.

15 Employees

Number of employees

The average monthly number of employees during the year was:

	2023 Number	2022 Number
Governance and admin	4	4
Fundraising and trading	14	12
Charitable services	19	14
	37	30

Employment costs

	2023 £	2022 £
Wages and salaries	426,917	320,413
Social security costs	24,675	16,424
Other pension costs	5,802	3,381
	457,394	340,218

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

MENPHYS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2023

16 Intangible fixed assets

	Website £
Cost	
At 1 April 2022 and 31 March 2023	3,930
Amortisation and impairment	
At 1 April 2022	1,528
Amortisation charged for the year	1,310
At 31 March 2023	2,838
Carrying amount	
At 31 March 2023	1,092
At 31 March 2022	2,402

17 Tangible fixed assets

	Freehold land and buildings £	Short leasehold improvements £	Fixtures, fittings & equipment £	Total £
Cost				
At 1 April 2022	626,297	158,026	146,558	930,881
Additions	-	4,832	8,440	13,272
At 31 March 2023	626,297	162,858	154,998	944,153
Depreciation and impairment				
At 1 April 2022	235,332	31,732	99,430	366,494
Depreciation charged in the year	7,920	13,245	13,475	34,640
At 31 March 2023	243,252	44,977	112,905	401,134
Carrying amount				
At 31 March 2023	383,045	117,881	42,093	543,019
At 31 March 2022	390,965	126,294	47,128	564,387

MENPHYS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2023

18 Fixed asset investments

	Listed investments £
Valuation	
At 31 March 2022	261
Revaluation	40
	<hr/>
At 31 March 2023	301
	<hr/>
Carrying amount	
At 31 March 2023	301
	<hr/> <hr/>
At 31 March 2022	261
	<hr/> <hr/>

The company acquired 250 Alliance and Leicester shares on conversion from a Building Society to a Bank in 1997. On takeover by Santander they received a 1 for 3 share, entitling them to 83 shares in Santander. Over the years the company has received a bonus issue of shares rather than the cash dividends. Total shares held at 31 March 2023 were 100 (2022 - 100). These shares have a £nil cost. The carrying amount above the fair value is determined by reference to the quoted market price.

19 Debtors

	2023 £	2022 £
Amounts falling due within one year:		
Trade debtors	2,441	6,321
Other debtors	17,515	21,973
Prepayments and accrued income	122,966	327,905
	<hr/>	<hr/>
	142,922	356,199
	<hr/> <hr/>	<hr/> <hr/>

20 Creditors: amounts falling due within one year

	2023 £	2022 £
Other taxation and social security	6,727	6,469
Trade creditors	10,214	9,683
Other creditors	1,178	2,038
Accruals and deferred income	55,689	42,397
	<hr/>	<hr/>
	73,808	60,587
	<hr/> <hr/>	<hr/> <hr/>

Deferred income comprises income received in advance of fundraising events taking place.

MENPHYS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2023

21 Retirement benefit schemes

The charitable company operates a defined contribution pension scheme for all qualifying employees.

The charge to the SOFA in respect of the defined contribution schemes was £5,802 (2022 - £3,381), of which £2,073 was restricted and £3,729 was unrestricted, with £2,247 being allocated as direct costs and £1,482 allocated as support costs. Expenditure has been allocated between funds and activities on a relevant basis to the nature of the underlying costs in proportion to resources used.

22 Restricted funds

The funds of the charity include restricted funds held for specific purposes:

	Balance at 1 April 2022	Movement in funds			Balance at 31 March 2023
		Income	Expenditure	Transfers	
	£	£	£	£	£
Wigston Nursery	141,845	-	(6,156)	-	135,689
Building Fund	20,416	-	-	-	20,416
Menphys Activity Clubs	6,525	10,163	(108,340)	94,218	2,566
Volunteer Development Programme	-	-	(27,297)	27,297	-
Changing Places	32,355	-	(2,696)	-	29,659
Therapy and Sensory Rooms	17,419	-	(3,493)	-	13,926
Library Services	15,127	298	(8,365)	2,501	9,561
Work Ready Crew	1,000	-	(1,000)	-	-
Family Support Service	3,348	28,561	(80,904)	49,049	54
District Partner Initiative	-	12,332	(40,941)	28,609	-
Hub Development	2,075	-	(150)	-	1,925
Screwfix Foundation	-	1,145	(66)	-	1,079
	<u>240,110</u>	<u>52,499</u>	<u>(279,408)</u>	<u>201,674</u>	<u>214,875</u>

MENPHYS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2023

22 Restricted funds

(Continued)

	Balance at 1 April 2021	Income	Expenditure	Transfers	Balance at 31 March 2022
	£	£	£	£	£
Wigston Nursery	148,001	-	(6,156)	-	141,845
Building Fund	20,416	-	-	-	20,416
Menphys Activity Clubs	11,408	6,201	(67,746)	56,662	6,525
Volunteer Development Programme	5,190	-	(26,465)	21,275	-
Changing Places	35,051	-	(2,696)	-	32,355
Therapy and Sensory Rooms	20,912	-	(3,493)	-	17,419
Library Services	19,142	6,019	(10,034)	-	15,127
Work Ready Crew	1,000	-	-	-	1,000
Family Support Service	-	16,830	(64,700)	51,218	3,348
Randal Foundation	9,790	-	(10,284)	494	-
District Partner Initiative	1,550	110	(15,257)	13,597	-
Coronavirus Job Retention Scheme	-	2,481	(2,481)	-	-
Hub Development	-	2,075	-	-	2,075
	<u>272,460</u>	<u>33,716</u>	<u>(209,312)</u>	<u>143,246</u>	<u>240,110</u>

MENPHYS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2023

22 Restricted funds

(Continued)

The Wigston Nursery fund represents the net book value of the Menphys Nursery Building, Wigston, which was purchased out of grants and donations specifically given for this purpose.

The Building fund represents grants and donations specifically given towards the costs of building projects.

The Menphys Activity Clubs fund offers the opportunity for children and young people with a range of disabilities to meet within a friendly, supportive and needs-led environment to socialise and have fun. The Clubs operate at a loss each year and are therefore supported by general reserves (hence the transfer of £94,218 from general reserves).

£560 was received from the Asda Community Champions Better Starts Grant to support these activities.

The Volunteer Development Programme fund represents amounts set aside to provide structured volunteering experiences for disabled young people. This was supported by a transfer from general reserves of £27,297.

The Changing Places fund - Leicestershire County Council provided grant funding to contribute to the construction of a Changing Places Toilet facility in The Menphys Hub.

The Therapy and Sensory Rooms fund - Grants were received to contribute to the construction and equipment of the new Sensory and Therapy Rooms in The Menphys Hub.

The Library Services fund - grants funding received from Leicestershire County Council to contribute to the refurbishment and running of the Library in The Menphys Hub, and for the Cultural Communities Network to host activities through the Library to use culture as a catalyst to change lives. A Section 106 contribution (£298) was received from Leicestershire County Council towards display equipment.

The Work Ready Crew fund - funding relates to monies received from the Thomas Wall Trust to provide a Toolkit to employers who offer work placement opportunities for young people with special educational needs and disabilities aged 16-25 years old.

The Family Support Service fund represents grants and donations received for enriching and engaging support direct to the families at home. The current year includes donations through the Christmas gift appeal, and a grant from Cash for Kids to provide essential items for the return to school year. This fund has been supported by a transfer of £49,049 from general reserves.

Menphys received funding from Happy Days Children's Charity to support a Pantomime trip (£1,340).

The Randal Foundation fund - We received £25,000 in the 2020/21 financial year for the purchase of iPads for socially disadvantaged, low-income family children between the ages of 5-12 to use with the assistance of their SEND schools.

The District Partner Initiative fund - includes amounts received from Leicestershire County Council SHIRE Community Grants (£7,890), Oakland Foundation (£1,656) and Charnwood Borough Council (£1,000) to support the Mini Menphys parent and toddler activities.

The Coronavirus Job Retention Scheme fund - represents funding received from the Government to cover furloughed staff costs during the Covid-19 Pandemic.

The Hub Development fund - We received £2,075 from Blaby District Council's Community Grants Scheme towards a PA system which was purchased in 2022/23.

Screwfix Foundation fund - £1,145 was received from the Screwfix Foundation to upgrade lighting at the Menphys Hub to efficient LEDs.

MENPHYS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2023

23 Unrestricted funds

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

	Movement in funds					
	Balance at 1 April 2022	Incoming resources	Resources expended	Transfers	Investments gains/(losses)	Balance at 31 March 2023
	£	£	£	£	£	£
Designated funds						
Wigston Nursery	200,000	-	-	-	-	200,000
Menphys Hub and Donation Centre Development	105,048	-	(22,970)	8,823	-	90,901
Clubs and Activity Groups	60,000	-	-	-	-	60,000
Employability Programme	35,000	-	(23,292)	23,292	-	35,000
Family Support	250,000	-	-	-	-	250,000
	650,048	-	(46,262)	32,115	-	635,901
General funds	698,456	725,140	(512,433)	(233,789)		677,374
Fair value reserve	261	-	-	-	40	301
	1,348,765	725,140	(558,695)	(201,674)	40	1,313,576

	Movement in funds					
	Balance at 1 April 2021	Incoming resources	Resources expended	Transfers	Investments gains/(losses)	Balance at 31 March 2022
	£	£	£	£	£	£
Designated funds						
Work Ready Crew	-	-	(22,907)	22,907	-	-
Wigston Nursery	200,000	-	-	-	-	200,000
Menphys Hub and Donation Centre Development	125,312	-	(20,264)	-	-	105,048
Clubs and Activity Groups	-	-	-	60,000	-	60,000
Employability Programme	-	-	-	35,000	-	35,000
Family Support	-	-	-	250,000	-	-
	325,312	-	(43,171)	367,907	-	650,048
General funds	371,433	1,221,792	(383,616)	(511,153)		698,456
Fair value reserve	247	-	-	-	14	261
	696,992	1,221,792	(426,787)	(143,246)	14	1,348,765

MENPHYS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2023

23 Unrestricted funds

(Continued)

The Work Ready Crew fund represents amounts set aside to give young people the necessary skills to thrive in the workplace.

The Wigston Nursery fund represents the donation of freehold land at Wigston some years ago. This freehold land is not realisable by the charity due to the covenants and agreements associated with it.

The Menphys Hub and Donation Centre Development fund represents amounts set aside for the future development of the charity following the cessation of the SOS service.

The Clubs & Activity Groups fund represents amounts set aside to fund the expansion of the existing programmes at existing and additional locations across the City and County.

The Employability Programme fund represents amounts set aside to fund further research in to the needs of young people and gaps in existing provisions. Trustees have determined to combine and develop the existing Work Ready Crew and Volunteer Development Programmes as a single Menphys Employability Programme that will provide young people with disabilities with work insights, job experience and the skills to open their opportunities to employment. This activity has been supported by a transfer from general reserves.

The Family Support fund represents amounts set aside to fund the set-up of a new service that will help families to navigate existing statutory and non-statutory provisions including sign-posting, advice and advocacy.

24 Analysis of net assets between funds

	Unrestricted funds		Restricted funds	Total
	General funds	Designated funds	funds	
	£	£	£	£
Fund balances at 31 March 2023 are represented by:				
Intangible fixed assets	1,092	-	-	1,092
Tangible assets	60,468	290,901	191,650	543,019
Investments	301	-	-	301
Current assets/(liabilities)	615,814	345,000	23,225	984,039
	<u>677,675</u>	<u>635,901</u>	<u>214,875</u>	<u>1,528,451</u>

	Unrestricted funds		Restricted funds	Total
	General funds	Designated funds	funds	
	£	£	£	£
Fund balances at 31 March 2022 are represented by:				
Intangible fixed assets	2,402	-	-	2,402
Tangible assets	61,135	300,962	202,290	564,387
Investments	261	-	-	261
Current assets/(liabilities)	634,919	349,086	37,820	1,021,825
	<u>698,717</u>	<u>650,048</u>	<u>240,110</u>	<u>1,588,875</u>

MENPHYS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2023

25 Operating lease commitments

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

	2023 £	2022 £
Within one year	25,949	33,183
Between two and five years	58,091	86,533
	<u>84,040</u>	<u>119,716</u>

Lease payments totalling £33,730 (2022: £21,883) have been recognised as an expense during the year.

26 Related party transactions

Remuneration of key management personnel

The remuneration of key management personnel is as follows.

	2023 £	2022 £
Aggregate compensation	<u>172,606</u>	<u>139,642</u>

Transactions with related parties

Except for the transactions listed above and in note 13, there were no other related party transactions.

27 Cash generated from operations

	2023 £	2022 £
(Deficit)/surplus for the year	(60,424)	619,423
Adjustments for:		
Investment income	(77,492)	(66,493)
Fair value gains and losses on investments	(40)	(14)
Amortisation and impairment of intangible assets	1,310	1,310
Depreciation and impairment of tangible fixed assets	34,640	33,308
Movements in working capital:		
Decrease/(increase) in stocks	156	(1,247)
Decrease/(increase) in debtors	213,277	(181,416)
Increase in creditors	13,221	22,460
Cash generated from operations	<u>124,648</u>	<u>427,331</u>

MENPHYS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2023

28 Analysis of changes in net funds

During the year the charity had no borrowings or obligations under finance leases. The changes in net funds of the charity therefore solely comprise of cash and cash equivalents.

29 Controlling party

Menphys Limited is a company limited by guarantee and not having a share capital; it is incorporated under the Companies Act and governed by the Memorandum and Articles of Association of the charity. The trustees of the charity are elected members and act as directors of the charity who are deemed to be the controlling party of the charity.