



## **Trustee Report & Financial Statements for the year ended 31st March 2022**

Registered Company Number: 02636705 (England and Wales)  
A Company limited by Guarantee  
Registered Charity Number: 1004431

[www.watfordmencap.org.uk](http://www.watfordmencap.org.uk)



**WATFORD AND DISTRICT MENCAP SOCIETY**

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**FOR THE YEAR ENDED 31 MARCH 2022**

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**WATFORD AND DISTRICT MENCAP SOCIETY****REFERENCE AND ADMINISTRATIVE DETAILS****FOR THE YEAR ENDED 31 MARCH 2022**

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**COUNCIL OF MANAGEMENT**

Mr R F Jones (Chair)  
Mrs P Joy (Acting Vice Chair, Treasurer)  
Mr M S Enoch  
Mrs L C Green  
Mrs P Robertson  
Mr J R Teague  
Mr J Good (Appointed 25<sup>th</sup> June 2022)

**COMPANY SECRETARY**

Mrs R L Kreloff (Retired 8<sup>th</sup> April 2022)  
Miss J K Pattinson (Appointed 8<sup>th</sup> April 2022)

**REGISTERED OFFICE**

92a Langley Road  
Watford  
Hertfordshire  
WD17 4PJ

**REGISTERED COMPANY NUMBER** 02636705 (England and Wales)

**REGISTERED CHARITY NUMBER** 1004431

**INDEPENDENT AUDITORS**

Mercer & Hole LLP  
Chartered Accountants  
Trinity Court  
Church Street  
Rickmansworth  
Hertfordshire  
WD3 1RT

**CHIEF EXECUTIVE**

Miss J K Pattinson

**PRINCIPAL BANKER**

NatWest  
72 High Street  
Watford  
Hertfordshire  
WD17 2GZ

**WEBSITE**

[www.watfordmencap.org.uk](http://www.watfordmencap.org.uk)

## **WATFORD AND DISTRICT MENCAP SOCIETY**

### **REPORT OF THE TRUSTEES**

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

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The trustees (also known as the Council of Management) who are also directors of the charity for the purposes of the Companies Act 2006, present their report with the financial statements of the charity for the year ended 31 March 2022. The trustees have adopted the provisions of Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their financial statements in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2019).

### **OBJECTIVES AND ACTIVITIES**

#### **Objectives**

The charity's objects are set out in the Articles of Association and are:

- The relief of people with a learning disability in particular by the provision of help and support for them and their families, dependants and carers and to prevent or alleviate learning disabilities for the public benefit by education, research and life-enhancing medical intervention.
- The provision or assistance in the provision of facilities for the recreation or other leisure time occupation for people who have need thereof by reason of learning disability with the object of improving their conditions of life.

"Learning disability" means any developmental disability of the mind and any associated condition howsoever caused and whether mild, moderate or severe.

The charity aims to achieve its objects by seeking to provide user-led and person-centred services which enable people with a learning disability to make the most of life. Services are constantly under review in the light of user needs, government policy, funding availability, and changing needs and practices. Watford Mencap seeks to work with other voluntary and statutory organisations to promote the welfare of people with a learning disability.

#### **Our Values**

We are **INCLUSIVE** People with learning disabilities are at the heart of everything that we do.

We are **RESPECTFUL** We work in a person-centred way, whilst listening to the views of all.

We are **WELCOMING** We are approachable and value all.

We are **PROGRESSIVE** We promote learning to support everyone to achieve their potential.

We are **CHALLENGING** Through our work we will push the boundaries for individuals, organisations and society.

## **WATFORD AND DISTRICT MENCAP SOCIETY**

### **REPORT OF THE TRUSTEES**

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

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## **OBJECTIVES AND ACTIVITIES - Continued**

### **Our Mission**

**Enabling people with learning disabilities and their families to make the most of life.**

### **To help make this happen we will**

- Support people to enjoy choice and control over their own lives, to enable them to work towards fulfilling their life ambitions and to achieve their potential
- Provide a range of high quality, individually tailored services that focus on the individual and their family
- Support people to obtain their rights and to understand their responsibilities as members of society
- Recognise that people have skills, abilities and expertise and use these to inform our growth and progress
- Campaign to ensure the rights of people with a learning disability and their families are respected and to ensure that they have access to the services they need and to challenge the boundaries of discrimination
- Involve and include people in evaluation and decision making at all levels within Watford Mencap

### **Activities**

All of the charity's activities focus on the objects set out in the Articles of Association noted on page 2. It is the charity's aim to be the first port of call in South West Herts for all people with a learning disability, their families and carers. Support may be given in partnership with other relevant organisations. There are no restrictions on access to services other than the charity's capacity and capability to provide the support required to live a fulfilling life.

### **A life-long journey supported by Watford Mencap every step of the way**

People with learning disability are one of the least understood, least visible and most vulnerable sections of our society. They are also a sizeable group.

The Improving Health and Lives (IHAL) profiles produced by the North East Public Health Observatory estimates that approximately 2.5% of the total population have some form of learning disability, resulting in an estimated 1.5 million people in the United Kingdom with a learning disability. This population is predominantly (60%) male and unknown to services; of the estimated 1.2 million adults with a learning disability in England, only 189,000 (21%) are known to local authority or health services. Around 24% of the estimated population with learning disabilities are believed to be children and 76% are believed to be adults. (IHAL, 2011).

**WATFORD AND DISTRICT MENCAP SOCIETY****REPORT OF THE TRUSTEES****FOR THE YEAR ENDED 31 MARCH 2022**

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**OBJECTIVES AND ACTIVITIES - Continued**

The Summary Needs Assessment: Fulfilling Lives for People with Learning Disabilities estimates there may be 5,500 children with learning disabilities in Hertfordshire and Projecting Adult Needs and Service Information 2015 states there are 21,109 people over 18 with a learning disability in the county. This is 1.8% of the total adult population. As of December 2020, Hertfordshire County Council (HCC) adult social care were supporting 4,600 adults with learning disabilities. Public Health England 2016 states there were 22.4 per 1,000 children with a learning disability known to schools in Herts and that 2.5% of children in England have a learning disability. The Herts Learning Disability Joint Commissioning Strategy 2019-24 states only 3,000 adults with learning disabilities were receiving help from local social care services and that local doctors only have 5,000 people on their register of people with learning disabilities in Hertfordshire.

The number of people over 18 with a learning disability is predicted to increase by 9% by 2025 and the largest projected growth area over the next 10 years is in the 75-84 and 85+ age range with projected increases of 32% and 47% respectively. It was recognised very early on in the pandemic that people with learning disabilities were extremely vulnerable to Covid19 so extra caution would be required. In seeking to serve this section of society Watford Mencap has developed a wide range of services.

The pandemic has meant that needs have changed and services have had to constantly evaluate not just what is needed but also what can be safely provided. Throughout the pandemic all Watford Mencap services came together, enabling the organisation to mobilise staff and cover gaps. In January 2021 the organisation made this change permanent, Ruth Murray became Head of Operations and Deputy Chief Executive. Services continued to run throughout the pandemic and can be purchased privately by self-funders, people with individual budgets and direct payments as well as through Herts County Council (HCC) commissioned services.

**Services at Home**

This range of services are offered in people's homes supporting them in their daily lives to gain independence and to promote choice and control.

**Advice and Information**

Initial and ongoing contact through the Advice and Information Service is free to all and funded through fundraising, grants, and reserves if necessary. This service provides information, supports people, and facilitates their efforts to plan their lives and access services. No distinction is made between those who might wish to access services provided by the charity and those for whom another service provider or organisation might be more appropriate - the interests of the individual are paramount. The service continues to be part of the National Lottery funded Building

## **WATFORD AND DISTRICT MENCAP SOCIETY**

### **REPORT OF THE TRUSTEES**

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

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#### **OBJECTIVES AND ACTIVITIES - Continued**

Better Opportunities project which focuses on supporting young people into employment. The information gathered also supports Watford Mencap's campaigning work to highlight unmet needs to local authorities through the Strategic Commissioning Group. Despite a reduction in the team they continued to be the front face of the organisation offering welfare calls to the people we support as well as advice and information. The team supported 174 people with 181 queries resulting in 4,675 contacts. The service is also recognised by Hertfordshire County Council as a brokerage provider.

#### **1:1 Support in your own Home**

The Care and Support Agency provides individualised and person-centred support for people with learning disabilities within the local community. People can be supported with a range of everyday activities, some practical, others more focused on social skills and learning. This service also supports children as part of our Short Break offer. All work is focused on enablement and helping people to maximise their independence. Work remained sporadic for the team as the pandemic continued and clients declining a service. The team also reduced but throughout the year provided over 8,306 hours of support to a total of 64 people with learning disabilities.

#### **24-Hour support in your own Home**

The Individual Service Fund team supports 10 people living in 4 different properties across South West Herts. Funding for individuals is from various sources including Individual Service Funds and commissioned hours from HCC's Supported Living Framework. During the year the focus was to support people to stay safe during the pandemic while trying to return to some sense of normality. The team has kept everyone safe and provided 30,705 hours of support.

#### **24-hour support in a Registered Care Home**

19 people are supported in 3 registered care homes located in Watford and Three Rivers. Many people have lived in their home for many years and receive support in all aspects of their life. Care homes continued to be identified as posing a higher risk to individuals during the pandemic so teams worked hard to maintain infection control and manage Covid outbreaks. The residents' needs have continued to increase, with teams adapting their practices and the environment, to support them. Recruiting new workers was a challenge but the teams kept everyone safe and provided 52,280 hours of support.

**WATFORD AND DISTRICT MENCAP SOCIETY****REPORT OF THE TRUSTEES****FOR THE YEAR ENDED 31 MARCH 2022**

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**OBJECTIVES AND ACTIVITIES - Continued****Community Activities**

This range of services are offered in the community and can be commissioned or paid privately. Many charge fees that are affordable to people from their weekly income, although help with fees may be sought for those in crisis. These are funded largely by grant or fundraising income but may also be subsidised by reserves during start-up or funding gaps or when broadening access for hard-to-reach groups. The aim is to provide attractive and fun activities which promote well-being and independence. Activities are available across all age ranges and are based on feedback from people who use the services. During the year these services continued to need to assess risk and work in conjunction with the legislation to ensure safe services were provided as the pandemic continued.

The following activities are offered:

**Children**

The Short Break Contract from HCC continued to enable a range of leisure activities to be delivered, including weekend sessions, adventure breaks, a Lego club, 1:1 sessions and holiday activity schemes. All referrals for these services must come through the HCC Short Breaks process. Fundraising supports evening sessions as well as a group for under 5's which supports families with a stay and play session. These services were adapted as the pandemic progressed with a reduced offer of evening and weekend sessions alongside holiday activity schemes. A move to our new community hub in January 2022 enabled additional sessions to be offered in a more welcoming environment. 48 children accessed these activities across the year, attending a total of 831 sessions.

**Young People**

This contract also includes young people and enabled a range of leisure activities including a weekly youth club, weekend sessions, adventure breaks, a Lego club, 1:1 sessions and holiday activity schemes for those at both school and college. Children's services must come through the HCC Short Breaks Contract process which affects our ability to offer services to some people. Those at college or accessing service outside this contract can access services through self-referral. Fundraising supports evening activities focusing on life skills such as cooking and shopping. These services were also adapted to enable service to continue in a safe way. Like those for Children, evening weekend activities continued alongside the weekly youth club. Holiday activity schemes were also available for those at school and college. 46 young people accessed these activities across the year, attending a total of 1,037 sessions



## **WATFORD AND DISTRICT MENCAP SOCIETY**

### **REPORT OF THE TRUSTEES**

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

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#### **OBJECTIVES AND ACTIVITIES - Continued**

##### **Adults**

**Adults Day Opportunities** – regular day activities for adults which can be commissioned by local teams continued to operate either online or out in the community. 6 people accessed the services attending 350 sessions.

**Profound and Multiple Learning Disability (PMLD)** – regular activities for young people with PMLD which can be commissioned by local teams. The service continued to run throughout the year and moved to the new community hub in January 2022. This saw a marked difference in the individuals using the service, with many more relaxed and enjoying the new environment. Over the year the team provided over 4,347 hours of support to a total of 7 people with PMLD.

**Employability** – The Café in the Library offers learning opportunities for people with learning disabilities to gain skills in all areas of the business including customer service, handling money and food hygiene. The Café was finally able to reopen outside in June 2021 and inside in

September. Unfortunately, the café was then closed again in accordance with Government guidance over the Christmas period reopening in January 2022. Following the opening of our community hub in January 2022, the team started offering sessions in the new training kitchen. These including community cooking and life skills. During the year team 14 people accessed these services attending 212 sessions.

The charity also provides volunteering opportunities for people with learning disabilities to gain retail, administration, and customer care skills. The shop and other trading initiatives provide opportunities to many volunteers, some of whom have a learning disability.

##### **Leisure and learning –**

Activities continued online with a wide range of activities including quizzes, planting and cooking. Sessions focused on maintaining people's skills, confidence and wellbeing to encourage them to speak up for themselves and others. Weekly dancercise session also continued online with a dance teacher.

## **WATFORD AND DISTRICT MENCAP SOCIETY**

### **REPORT OF THE TRUSTEES**

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

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#### **OBJECTIVES AND ACTIVITIES - Continued**

As the weather improved and restrictions relaxed in person activities recommenced with trips to local green spaces along with outdoor attractions such as Top Golf. All other monthly clubs remained closed along with the monthly night club at Pryzm nightclub in Watford. In total 55 people accessed these activities across the year, attending a total of 188 sessions

**Having your Say** – Watford Mencap continues to host the Hertfordshire county-wide network that supports people with profound and multiple learning disabilities and their carers. Any feedback received is passed on to the local authority through the relevant networks.

Watford and Three Rivers Learning Disability Local Area Forum is hosted and facilitated by the charity. The Forum focused on local and national topics linking with the local authority to raise issues.

Watford Mencap has a service user and carer base of over 1,210 people with learning disabilities and their carers for its various services. The charity aims to raise awareness of learning disability among the wider population, and of the existence of the charity and the services it provides to those with learning disabilities, their families and carers, as well as other relevant professionals. Ultimately, the charity would like to act as a central point of contact in relation to learning disability in South West Herts, providing information, contacts, advice and, where relevant and possible, services, to all who need them.

#### **Public benefit**

In planning and reviewing the above activities, the Council of Management have given careful consideration as to whether they have complied with the duty in section 17 of the Charities Act 2011 to have due regard to the public benefit guidance published by the Charity Commission.

The members, staff and volunteers of Watford Mencap strongly believe in the importance and worth of every individual in our society. The aim inherent in all of the charity's activities is to enable and facilitate the ability of people with a learning disability to make the choices that most of us take for granted. By making a contribution to this aim, the charity provides a public benefit of not only alleviating the potential distress and waste of individuals frustrated by the inability to lead a fulfilling life and the associated impact on their families and carers, but also, in some small way, to make society more tolerant, compassionate and inclusive.

## **WATFORD AND DISTRICT MENCAP SOCIETY**

### **REPORT OF THE TRUSTEES**

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

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#### **OBJECTIVES AND ACTIVITIES - Continued**

##### **Staff and volunteers**

Watford Mencap benefits greatly from the commitment of its 158 paid staff. It also benefits from the support of a number of volunteers in the office, trading and fundraising activities, leisure services and community hub. The contribution of the 36 regular helpers and volunteers who worked with the charity over the year is estimated to be approximately 2,116 hours (representing the equivalent of approximately 1.1 full-time staff) and their contribution is gratefully acknowledged. Throughout the pandemic we have continued to be supported by a wide range of helpers who donated regular time to deliver food, PPE and general supplies to support our projects. This was also accompanied by many kind gestures of support, from making PPE, running virtual sessions, donating fresh foods for our projects and treats to support our workforce. It also included corporate volunteers from WBSL and support at a fundraising event held at the Atria in Watford. We estimate this additional help from our helpers and supporters to be 216 hours, the approximate equivalent of another 0.1 members of staff. We are truly thankful for this and would not have been able to sustain our projects without this very generous support.

Lower than market sector turnover of front-line staff and a consistent management team continue to be a significant achievement for the charity, however the last year has seen a more than usual turnover of staff and a greater reliance of agency staffing to ensure we can meet minimum staffing levels in our projects. The national social care recruitment and retention crisis is a very significant challenge in South West Herts. The people and families that the charity supports acknowledge the importance of knowing and trusting the staff and volunteers. A dedicated team of casual workers work alongside contracted staff, volunteers and regular agency workers to help the charity achieve this consistency of support.

## **WATFORD AND DISTRICT MENCAP SOCIETY**

### **REPORT OF THE TRUSTEES**

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

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#### **THE ONGOING IMPACT OF COVID19 PANDEMIC**

The focus of our work over the past year has been to keep the people we support, our staff and volunteers safe and well. Huge thanks must go to everyone that played a part in this. We kept infection rates low and managed to reopen Covid secure services. This was not an easy task and was successful due to our effective testing regime, continued use of PPE and excellent infection control procedures.

Despite the challenge of Covid we managed to: maintain our advice service quality mark (being rated as a good service), be a finalist in the HCPA 2021 Herts Care Awards and to gain a 5 star environmental health rating for the training kitchen in 92a. Many of our systems were reviewed and streamlined in our office move, strengthening our business continuity plan through installing a new Horizon phone system, moving all documents onto Azure in the Cloud and embracing new technology with new laptops, mobiles, wireless and broadband contracts to enable staff to work fluidly in the most efficient and effective way.

We also tendered our audit and appointed Mercer and Hole, who worked well with our finance team to smoothly complete our accounts.

Greater detail on the key actions from the 2021-22 business plan can be seen below

#### **Getting through Covid**

Our services continued to run at all times when legislation permitted. This was possible due to government grants and ongoing funding from HCC for commissioned services up to March 2022, along with emergency Covid grants and development funds granted for the refurbishment of 92a. We are extremely grateful to all of our funders who supported us through this challenging time, enabling us to continue to support local families.

We used our workforce flexibly to ensure cover across all of our projects. At its peak staff Covid sickness was over 20% of the workforce but thankfully dropped later in the year to an average of 5-10%. We needed to use additional agency staff to ensure our projects maintained safe staffing levels. A very cautious approach to managing all sickness paid off and in the main we managed to keep the vast majority of Covid sickness in our projects as isolated cases, not outbreaks. We paid Covid related sick pay to staff throughout the period.

We were fortunate to receive early vaccination opportunities in December 2020 which meant staff also received early boosters helping to increase immunity, ensuring that the majority of people were not seriously unwell with the Omicron variant.

## **WATFORD AND DISTRICT MENCAP SOCIETY**

### **REPORT OF THE TRUSTEES**

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

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#### **THE ONGOING IMPACT OF COVID19 PANDEMIC – Continued**

Covering for colleagues and working in such difficult circumstances has without doubt been hard for staff, we are extremely grateful to them for working additional hours, providing cover at short notice and making changes to their working patterns that enabled our services to continue with such consistency. We continued with our regular staff communications keeping people up to date with changes, promoting resilience and wellbeing along with sources of help and support that were available to social care staff.

#### **Recovery from Covid**

In summer 2021 we were able to reopen the café with outside service thanks to a grant from Watford Council Mayors Fund. In August 2021 office staff returned to being largely office based and by April 2022 our final services returned with the reopening of Bumble club and weekly coffee mornings at 92a, and our monthly Pryzm nightclub. Many families gained more confidence and by March 2022 there was very little need for virtual services with people wanting to mix and socialise again. Voids were also filled in our residential homes.

Our application to Herts Community Foundation for HCC funding for our learning and leisure services was successful. However only half of the money requested was awarded but this did cover the costs of existing service provision with a small uplift for 2022. We were also successful in obtaining a place on the HCC day opportunities framework and received a 12-month extension in our HCC advice, speaking up and involvement funding.

We were very pleased that Amanda Topping our office cleaner moved over to 92a with us and we are using Sunnyside Rural Trust to look after the 92a garden. Our training kitchen trainees are also now preparing meals for the afterschool club and beginning to cook for the café in the library.

Funding reviews at Hillside and Thorpedale residential homes are now underway to assess and appropriately fund changing needs after being delayed by HCC staffing resources earlier in the pandemic.

Twelve Watford Mencap managers and 2 staff members who applied for development places, completed 6 days of Inspire 2, our leadership and management training and succession programme. It's really positive to see that many of them have since been appointed to new roles and gained internal promotions within Watford Mencap.

## **WATFORD AND DISTRICT MENCAP SOCIETY**

### **REPORT OF THE TRUSTEES**

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

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#### **SUPPORTING AND VALUING OUR PEOPLE**

The new operational structure has worked well and created a much more fluid and flexible workforce, which gives staff greater opportunities to work across a range of projects and more pathways for development and promotion. Beth Smith our Services at Home Operations Manager moved to a full-time role in September 2021 and Fiona Rutherford joined Watford Mencap in February 2022 as our 2<sup>nd</sup> Operations Manager focussing on community activities and the Doing it Together project (DIT). Fiona has now restarted the DIT sub group and has brought together a new project plan. We also appointed Brenda Munyebvu a worker at our Hillside residential home to the vacant manager's position at Berrywood.

Helen Jones our staffing manager is now part of our HR team and monitors training, booking regular inhouse core training. If felt very positive to get back to face to face training again. New frontline workers continue to complete the care certificate with HCPA as part of their Watford Mencap induction, this gives workers who are often completely new to care a very good introduction to working in social care.

Following a salary review we uplifted support worker posts to the top of the local pay range and personal assistants rates to a strong position on this local pay scale in August 2021. By April 2022 with increases in minimum wage these rates had fallen to bottom of scale and led to us uplifting all salaries again by 6.48%. We have and will continue to lobby HCC and Herts Care Providers Association for further uplifts to enable us to pay a wage that competes with local retail and hospitality jobs. Being a social care charity in South West Herts, recruitment and retention remains our biggest challenge. During the year we developed a new strategy to help us to try and manage this national crisis locally. A small one-off payment from HCC enabled us to enhance festive bank holiday pay rates, as a thank you to staff and to reduce the need for agency staff.

We were very pleased that John Good, a long term co-opted advisor on our audit and finance committee was elected as a trustee at our AGM on 25<sup>th</sup> June. Pauline Joy has kindly decided to remain in the Treasurer role. Trustees visited projects where possible and special thanks go to Pam and Malcolm Robertson for their great help with our Bushey shop.

## **WATFORD AND DISTRICT MENCAP SOCIETY**

### **REPORT OF THE TRUSTEES**

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

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#### **CREATING A COMMUNITY HUB IN 92A**

At the same time as managing through a pandemic we carried out a significant refurbishment of 92a Langley Road, which we purchased on 1<sup>st</sup> April 2021. Work was completed in 3 stages and in August 2021 on completion of stage 1, we sold and moved our services out of the Old Town Hall into 92a. In December 2021 Playskill a local charity for children under 5 with physical disability moved into the 2<sup>nd</sup> floor offices at 92a on a 5 year lease, with 6 month notice period. In January 2022 following Ofsted approval we vacated the Lemarie Centre and opened our community hub, along with additional space to lease and rent out to other local community groups.

A planning pre-app was also submitted in May 2022 to Watford Council for the play barn which will be funded by a very generous donation of £45,000 from Warner Bros Studios Leavesden. We also commissioned a garden designer who produced a garden concept and initial garden design. We hope to proceed with the play barn, sensory garden and allotment in Autumn 2022 when full planning permission has been granted and funds secured.

We were delighted to receive such generous support with our move and are extremely grateful to the many donors and supporters who have enabled us to create such a warm and welcoming space at 92a. We were very pleased to also receive such positive feedback from the Nascot Lawn campaign group families who had fought to keep the overnight respite unit open. We are delighted that some of these children are now using our daytime services based at 92a. Our thanks also go to

Charity Bank for their support and finance, we were delighted to be able to make some additional repayments ahead of schedule in March 2022, reducing our mortgage balance.

Phase 3 building works at 92a will include the completion of the conservatory in Summer 2022, thanks to a significant grant from the Wolfson Foundation.

By March 2022 92a was in full use as a community hub with a full range of Covid safe activities taking place in our new venue. We have remained vigilant re Covid and have maintained our PPE, mask wearing and screening. All of which has helped people to feel safe to return to using our services whilst enjoying the comfortable new surroundings. We continue to receive very positive feedback from professionals, the families we support and people who use our services, over 200 people came along to our 25<sup>th</sup> June 2022 party in the garden to celebrate the opening of our community hub.

## **WATFORD AND DISTRICT MENCAP SOCIETY**

### **REPORT OF THE TRUSTEES**

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

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#### **FUNDRAISING ACTIVITIES**

Watford Mencap is an independent local charity that is responsible for raising all its own funding to support local people with learning disabilities. Although affiliated to the national Royal Mencap charity, it receives no funding from them other than grants they distribute on behalf of other funders.

The charity's small team manages a portfolio of activities that generate income to fund the projects we believe are of value to our clients, but which do not attract local authority funding. By engaging in a variety of fundraising methods we believe that we are reducing our risk and ensuring we do not become over-reliant on a single source of income generation.

Our biggest fundraising source remains grants and trusts and we are grateful for the support of The National Lottery Awards for All Fund, Hertfordshire Community Foundation, Hertsmere Borough Council, Watford Borough Council, Warburtons and Screwfix Foundation amongst others. We received generous grants from a number of donors to enable us to respond to the continuing affects of the Covid19 pandemic.

Many funders supported the refurbishment of our new hub in 92a, including a team from LinkedIn who raised money to pay for the soft play surface in the children's garden.

While our Watford 10k was delivered virtually in 2021, we re-started our face to face events with our Watford Santa Dash in December 2021. We were thrilled to be able to run a community event again, and we are grateful to Warner Brothers Studios Leavesden for their continued support for our two main fundraising events each year.

In addition, we have a calendar of smaller community events such as the Rickmansworth Pancake Race, quizzes and suppers and are pleased that support for these live events is growing after a break in being able to engage publicly. Atria Shopping Centre hosted a number of events to help raise funds and we were a beneficiary of their Give A Gift Appeal which is co-sponsored by Heart Hertfordshire Radio.

We really treasure our strong relationship with several local businesses such as Camelot, Warner Bros Studios Leavesden and Veale Wasbrough Vizards who provide us with financial, technical and practical support. We are also grateful to individual members of the local community that support us. Many make regular donations to us but prefer to remain anonymous.

We spent time this year to update our online presence, both as a fundraising tool as well as marketing our services and job opportunities. Engagement with our social media posts is increasing and we will use that momentum as part of our improved communication with supporters.



## **WATFORD AND DISTRICT MENCAP SOCIETY**

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#### **FUNDRAISING ACTIVITIES – Continued**

Our Bushey charity shop fully re-opened in September 2021 and has quickly re-established itself as a thriving retailer of quality goods. The shop manager Rose White is supported by a dedicated team of volunteers who give many hours and expertise to ensure we maximise the generous donations we receive.

We take great care to ensure that all our fundraising activities comply with the Fundraising Regulator's voluntary regulation scheme. The activities of our fundraising team are monitored by the fundraising manager and the chief executive. The team also works closely with supporters who wish to raise funds for the charity, providing support and guidance to ensure that events held in aid of our charity meet the requirements of the scheme. We seek to work in partnership with our supporters and to develop a long-term relationship with them. To this end, we consciously avoid exerting undue pressure on potential donors and do not participate in direct mailing or telephone solicitations. The fundraising team actively seeks feedback on its activities, both positive and negative, in order to keep improving our performance. We have a procedure to investigate any formal complaints received. This year we received no complaints about our fundraising activities.

## **WATFORD AND DISTRICT MENCAP SOCIETY**

### **REPORT OF THE TRUSTEES**

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## **FINANCIAL REVIEW**

### **Financial position**

The charity ended the year with an overall surplus of £185,201.

This included an operating loss combined with exceptional non-capital expenditure, the profit on sale of a property and other non-operating gains.

The operating loss of £190,532 resulted primarily from the ongoing impact of the Covid pandemic. In particular, much necessary maintenance expenditure on residential homes had to be deferred from 2020-21, when access was restricted, to 2021-22. The increasing difficulty of recruiting to social care work and the need to cover shifts with agency staff has also had an impact. We are working to maintain the quality and range of our services within the funding available, but this is proving increasingly difficult.

In 2021-22, the operating loss was mitigated by the net financial impact of the move to 92A. There was a lot of remedial work which had to be done to the building which could not be capitalised. This totalled £198,081 and has been treated as an exceptional item. On the other hand, the charity was able to sell its office building to help finance the purchase of 92A and the associated improvement works and the profit on the sale amounted to £352,200.

We were also required to adjust our pension deficit provision downwards, releasing £56,014 and the final resolution of the sleep-in payments case allowed the release of the £165,600 provision which had been in place for a number of years.

The charity has successfully managed to achieve an operating surplus for many years. This will continue to be the aim and we hope to return to this position despite the difficult economic circumstances.

Further detail is provided in the notes to the financial statements and the reserves section regarding the restricted funds (funds legally restricted to specific projects); general funds (unrestricted); and designated funds (set aside by the Society for specific purposes).

Voluntary/other income covers all non-statutory sources of income, primarily fundraising, grants, legacies, donations, fees, rent, charity shop and eBay trading. These sources of income accounted for 19% (2020/21: 20%) of the charity's total income during the period.

## **WATFORD AND DISTRICT MENCAP SOCIETY**

### **REPORT OF THE TRUSTEES**

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

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#### **FINANCIAL REVIEW – Continued**

The Individual Service Funds are received by the charity on behalf of the fund-holder and expended on services of the fund-holder's choice, be they Watford Mencap services or provided by some other organisation or individual. These funds do not impact the charity's year end results or the level of reserves.

The financial outlook remains challenging at the operating level with the need to complete the garden works at 92a Langley Road, along with current changes to HCC financial provider requirements, the ongoing impact of Covid 19 and the ongoing pressure on statutory funding sources expected to continue for several years. HCC remains the primary source of income (for both contract and grant income) in the year increasing to 81% compared to 80% in the previous year.

The charity continues to seek other sources of income, particularly through diversifying fundraising activity during the pandemic and expanding the fundraising team in September 2021 as well as continuing to develop structures and systems in order to be as cost efficient as possible. Structural management changes in January 2021 have had a positive impact on both quality and efficiency.

As noted above, the market in which the charity operates is becoming increasingly challenging. In the face of the Covid19 environment and national and ongoing social care recruitment and retention challenge, the Society had agreed a deficit budget for 2022-23. We currently see no need to review service provision. While the financial position is satisfactory, planning for future years with ongoing pressures to statutory funding is extremely difficult.

#### **Investment policy and objectives**

Aside from retaining a prudent amount in reserves each year, most of the charity's income is spent on the provision of services. Cash balances are held in bank current or deposit accounts or put on fixed term deposit. Investment income was £6,639 compared with £7,081 in 2020/21

The Investment Policy is for long-term reserves to be deposited or invested to grow at least in line with inflation, at low risk to capital. The remainder of reserves have an investment objective of preserving the capital value with a minimum level of risk.

**WATFORD AND DISTRICT MENCAP SOCIETY****REPORT OF THE TRUSTEES****FOR THE YEAR ENDED 31 MARCH 2022**

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**FINANCIAL REVIEW - Continued****Reserves policy**

The Society had reserves of £2,468,264 at 31 March 2022 of which £26,534 was restricted, £2,395,217 was designated (which includes fixed assets) and £46,513 represented the unrestricted general funds.

The charity's Council of Management consider that it should hold reserves to cover the cost of re-housing Service Users in the event that no further income is provided to Watford Mencap for the Support at home, housing services. In order to be able to realise the value of the freehold properties, it would be necessary to re-furbish and/or remodel the existing accommodation. There would be redundancy and related staff costs if the charity were to close these services, as well as exit costs relating to termination of services, property leases, dilapidations, etc.

Taken together, these costs are estimated to be equivalent to 6 months' operational expenditure.

Budgeted expenditure for 2022-23 is £3.2m and on this basis, the unrestricted reserves should therefore be £1.6m which is comfortably covered by the actual figure of £2,441,730.

**Change of date**

Last year the reporting date of the charity was changed to 1 April. Due to exceptional circumstances regarding the purchase of 92a Langley Road Trustees made the decision to extend the reporting period by one day and include 1<sup>st</sup> April 2021 as the final day of the reporting period.

This decision was made in order to reflect the work involved and associated costs of the purchase of 92a Langley Road which took place on 1st April 2021. While the transaction completed in April, to reach that point the project consumed considerable resources throughout the year, significant costs were incurred and irrevocable refurbishment contracts were entered into. It therefore seemed essential to include the acquisition of the asset in the accounts for the year to reflect the substantive situation at the year end.

The final day of the reporting period has returned to 31 March 2022, for this year.

**Auditor**

The company's auditor, Mercer & Hole, incorporated on 1 October 2022 to become Mercer & Hole LLP. The directors have consented to treating the incorporation of Mercer & Hole LLP as a continuation of the existing audit arrangement and in accordance with the company's articles, a resolution proposing that Mercer & Hole LLP be reappointed as auditor of the company will be put at a General Meeting.

## **WATFORD AND DISTRICT MENCAP SOCIETY**

### **REPORT OF THE TRUSTEES**

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

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#### **FUTURE PLANS**

In preparing the plans for 2022/23, a number of factors were taken into account:

- The current policy and regulatory environment concerning social care and learning disability
- The demographic outlook and changing needs of the local population
- The impact of the external environment on Watford Mencap
- The need to roll forward the objectives from previous years which were not achieved but remain relevant
- The actions identified as priorities by the risk management process
- The actions required to sustain and improve individual services

We were able to return to our usual face to face trustee and senior management team strategy and business planning days facilitated by Katie Thorpe, an external facilitator. We also considered a range of current stakeholder feedback, including our graphic facilitation events, feedback from our regular coffee mornings, staff forum and management team. This resulted in an update of the charity's 5-year plan and the setting of priority areas of work for the 2022-23 Business Plan.

#### **Our vision for the next year**

**Doing It Together - People with learning disabilities will be at the heart of everything thing we do**

##### **- Living our values**

We will remain a strong and vibrant charity, living our values, involving people with learning disabilities, so we continue to provide high quality support to people with learning disabilities and their carers.

##### **- Serving our community**

Our work is primarily based in Watford, Three Rivers and Hertsmere. We are open to opportunities beyond this area through new partnerships, where these are beneficial to the aims of Watford Mencap and the people we support – or there is evidenced need and available funding.

## **WATFORD AND DISTRICT MENCAP SOCIETY**

### **REPORT OF THE TRUSTEES**

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

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#### **FUTURE PLANS – Continued**

##### **- Being person centred**

We offer a range of services and support options from cradle to grave with an emphasis on enhancing people's skills and ability to take personal responsibility. We want to ensure people are active, valued members of society who are supported by a range of services within their local community.

##### **- Targeting our influence**

We proactively seek opportunities to develop new services, funding and new ways of influencing/ campaigning for people with learning disabilities.

##### **- Evolving our services**

Our services will continue to evolve to enable them to meet the needs of an increasing population with more complex and higher needs.

##### **- Valuing our people**

We will develop and support our skilled and committed workforce to be customer focused, flexible, proactive, and responsive to people's needs.

Volunteers are an integral part of our workforce.

##### **- Building the infrastructure**

Our developing service delivery will be supported and sustained by a responsive, flexible and resilient infrastructure.

##### **- Securing funding**

Our Commissioned Services will be self-funding and open to possibilities of new opportunities. A robust and responsive fundraising and income generation strategy will generate income to support the expansion of our advice and information and learning and leisure non-commissioned services.

Practically this sits as 4 key areas of focus on our 2022/23 business plan

- Serving our Community
- Valuing and supporting our staff and volunteers
- Living our values
- Evolving our services

All within the challenges of managing and working with the ongoing Covid 19 pandemic and the national social care recruitment and retention crisis.

**WATFORD AND DISTRICT MENCAP SOCIETY****REPORT OF THE TRUSTEES****FOR THE YEAR ENDED 31 MARCH 2022**

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**STRUCTURE, GOVERNANCE AND MANAGEMENT****Governing document**

Established in the 1950s, the organisation is a charitable company limited by guarantee, incorporated on 9 August 1991 and originally registered as a charity on 15 October 1991. The company was established under a Memorandum of Association, which sets out the object and powers of the charitable company and is governed under its Articles of Association. In the event of the company being wound up, members are required to contribute an amount not exceeding £1. There were 70 members as at 1 April 2022.

**Recruitment and appointment of trustees (Council of Management)**

The directors of the company are also charity trustees for the purposes of charity law and under the company's Articles are known as members of the Council of Management. Under the requirements of the Memorandum and Articles of Association, the members of the Council of Management are elected to serve for a period of three years, after which they must be re-elected at the next Annual General Meeting.

A full list of members of the Council of Management who served during the year and up to the date of this report is set out on page 1. Mindful of the focus of the charity's work on the needs of those with learning disabilities and their families, the Council of Management seeks to ensure that user and carer views are represented alongside wider business and organisational skills on the Council of Management.

**Organisational structure**

The Council of Management consists of up to 12 members who meet quarterly and are who are responsible for the strategic direction of the charity. At 1 April 2022, the Council of Management had 6 full members and 3 co-opted advisors - drawn from a variety of backgrounds relevant to the work of the charity - including family carers.

Day to day responsibility for provision of the services is delegated to the Chief Executive who leads the Senior Management Team. This team is responsible for ensuring that the charity delivers the business plan and that key performance indicators are met.

Monitoring of operational performance is undertaken by the Finance and Audit Committee as well as the Council of Management.

## **WATFORD AND DISTRICT MENCAP SOCIETY**

### **REPORT OF THE TRUSTEES**

**FOR THE YEAR ENDED 31 MARCH 2022**

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#### **STRUCTURE, GOVERNANCE AND MANAGEMENT - Continued**

##### **Induction and training of trustees (Council of Management)**

A trustee induction pack and programme are in place to ensure that all new trustees and co-opted advisors are made aware of their roles and responsibilities. This includes helping them understand their role and duties; providing copies of relevant documentation such as the Memorandum and Articles of Association, Business and Operational Plans, and accounts; and visiting sites and services, including meeting all senior managers and ensuring compliance with the 2017 Code of Governance.

##### **Royal Mencap**

Watford Mencap is an independent charity, affiliated to the umbrella organisation Royal Mencap. Watford Mencap pays an annual affiliation fee for the right to use the Mencap name and must also comply with the requirements of the Royal Mencap Partnership Agreement which sets out minimum standards in terms of policies and procedures for organisations using the Mencap name.

There is no financial support from the national organisation, but it does have the power, under the Articles of Association, to dismiss trustees who bring the Mencap name into disrepute.

##### **Risk management**

The Council of Management regularly reviews the major risks to which the charity is exposed. A risk register outlines these risks, and the systems, procedures or actions to be taken in mitigation. The register is regularly updated, is reviewed quarterly by the Finance and Audit Committee and Council of Management and is included in the annual Business Plan.

External risks to funding are constantly monitored and alternative income sources sought. Regulatory and legal requirements are implemented and monitored to ensure the delivery of consistently high-quality services. Internal control risks are minimised by strict authorisation and monitoring procedures.



**WATFORD AND DISTRICT MENCAP SOCIETY****REPORT OF THE TRUSTEES****FOR THE YEAR ENDED 31 MARCH 2022****STATEMENT OF TRUSTEES RESPONSIBILITIES**

The trustees (who are also the directors of Watford and District Mencap Society for the purposes of company law) are responsible for preparing the Report of the Trustees 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. Under company law the trustees must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the charitable company and of the incoming resources and application of resources, including the income and expenditure, of the charitable company for that 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 Charity SORP 2019 (FRS 102);
- make judgements and estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue in operation.

The trustees are responsible for keeping adequate accounting records that disclose with reasonable accuracy at any time the financial position of the charitable company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the charitable company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

In so far as the trustees are aware:

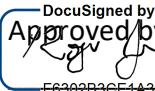
- there is no relevant audit information of which the charitable company's auditors are unaware; and
- The trustees have taken all the steps that they ought to have taken in order to make themselves aware of any relevant audit information and to establish that the auditor is aware of that information.

**AUDITORS**

The auditors, Mercer & Hole LLP, will be proposed for re-appointment at the forthcoming Annual General Meeting.

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

DocuSigned by: 9/12/2022  
 Approved by order of the board of trustees on ..... and signed on its behalf by:

  
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Mr R F Jones - Chair

## **REPORT OF THE INDEPENDENT AUDITORS TO THE MEMBERS OF WATFORD AND DISTRICT MENCAP SOCIETY**

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### **Opinion**

We have audited the financial statements of Watford and District Mencap Society for the year ended 31 March 2022 which comprise the statement of financial activities, the balance sheet, the statement of cash flows and the notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the charitable company's affairs as at 31 March 2022 and of its incoming resources and application of resources, 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.

## **REPORT OF THE INDEPENDENT AUDITORS TO THE MEMBERS OF WATFORD AND DISTRICT MENCAP SOCIETY**

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### **Other information**

The other information comprises the information included in the trustees annual report, other than the financial statements and our auditor's report thereon. The trustees are responsible for the other information contained within the annual report. Our opinion on the financial statements does not cover the other information and, 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.

### **Opinion on other matters prescribed by the Companies Act 2006**

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the trustees' report (incorporating the directors' report) for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- The directors' report has been prepared in accordance with applicable legal requirements.

### **Matters on which we are required to report by exception**

In the light of the knowledge and understanding of the charitable company and its environment obtained in the course of the audit, we have not identified material misstatements in the report of the trustees.

We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept by the charitable company, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of trustees' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit; or
- the trustees were not entitled to prepare the financial statements in accordance with the small companies' regime and take advantage of the small companies' exemptions in preparing the directors' report and from the requirement to prepare a strategic report.

## **REPORT OF THE INDEPENDENT AUDITORS TO THE MEMBERS OF WATFORD AND DISTRICT MENCAP SOCIETY**

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### **Responsibilities of trustees**

As explained more fully in the statement of trustees' responsibilities set out in the report of the trustees, the trustees (who are also the directors of the charitable company for the purposes 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**

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 specific procedures for this engagement and the extent to which these are capable of detecting irregularities, including fraud is detailed below.

### **Explanation as to what extent the audit was considered capable of detecting irregularities including fraud**

We gained an understanding of the legal and regulatory framework applicable to the company and the industry in which it operates and considered the risk of acts by the company that were contrary to applicable laws and regulations, including fraud. These included, but were not limited to, the Companies Act 2006 and tax legislation.

We evaluated management's incentives and opportunities for fraudulent manipulation of the financial statements and the financial report (including the risk of override of controls), and determined that the principal risks were related to posting inappropriate entries including journals to overstate revenue or understate expenditure and management bias in accounting estimates.

Audit procedures performed by the engagement team included:

- discussions with management, including considerations of known or suspected instances of non-compliance with laws and regulations and fraud;
- gaining an understanding of management's controls designed to prevent and detect irregularities; and
- identifying and testing journal entries.

## REPORT OF THE INDEPENDENT AUDITORS TO THE MEMBERS OF WATFORD AND DISTRICT MENCAP SOCIETY

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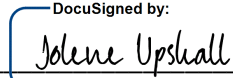
Owing to the inherent limitations of an audit, there is an unavoidable risk that we may not have detected some material misstatements in the financial statements, even though we have properly planned and performed our audit in accordance with auditing standards. For example, the further removed non-compliance with laws and regulations (irregularities) is from the events and transactions reflected in the financial statements, the less likely the inherently limited procedures required by auditing standards would identify it. In addition, as with any audit, there remained a higher risk of non-detection of irregularities, as these may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal controls. We are not responsible for preventing non-compliance and cannot be expected to detect non-compliance with all laws and regulations.

A further description of our responsibilities is available on the Financial Reporting Council's website at: [https:// www.frc.org.uk/auditorsresponsibilities](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 company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members, as a body, for our audit work, for this report, or for the opinions we have formed.

The maintenance and integrity of the Watford and District Mencap Society website is the responsibility of the trustees; the work carried out by the auditors does not involve consideration of these matters and, accordingly, the auditors accept no responsibility for any changes that may have occurred to the financial statements since they were initially presented on the website.

DocuSigned by:  
  
27DC21325673435...

Date: 14/12/2022

Jolene Upshall FCA  
for and on behalf of Mercer & Hole LLP  
Chartered Accountants  
Trinity Court  
Church Street  
Rickmansworth  
Hertfordshire  
WD3 1RT

**WATFORD AND DISTRICT MENCAP SOCIETY****STATEMENT OF FINANCIAL ACTIVITIES (INCLUDING INCOME AND EXPENDITURE ACCOUNT)****FOR THE YEAR ENDED 31 MARCH 2022**

		General funds	Designated funds	Restricted funds	Total funds 31.03.22	Total funds 01.04.21 Restated
	Notes	£	£	£	£	£
<b>INCOME</b>						
Donations and legacies	3	43,514	30,491	-	74,005	47,866
<b>Charitable activities</b>	6					
From public authorities		2,061,554	-	336,098	2,397,652	2,467,084
Grants		48,466	-	83,307	131,773	288,231
Rental income		112,303	-	-	112,303	141,811
Fees for using facilities and services		124,892	-	-	124,892	85,543
Café income		21,321	-	-	21,321	-
Other trading activities	4	79,184	-	-	79,184	47,742
Investment income	5	6,639	-	-	6,639	7,081
Other income		1,662	-	-	1,662	1,658
<b>Total</b>		<b>2,499,535</b>	<b>30,491</b>	<b>419,405</b>	<b>2,949,431</b>	<b>3,087,016</b>
<b>EXPENDITURE</b>						
<b>Cost of Raising funds</b>	7					
Fundraising activities		73,539	-	-	73,539	65,271
Other trading activities		45,790	-	4,763	50,553	39,656
<b>Charitable activities</b>	8					
Advice and information		48,714	-	42,000	90,714	98,795
Learning and leisure		559,293	-	36,544	595,837	515,784
Right support		1,993,222	-	336,098	2,329,320	1,954,197
<b>Total</b>		<b>2,720,558</b>	<b>-</b>	<b>419,405</b>	<b>3,139,963</b>	<b>2,673,703</b>
<b>Net (expenditure) income</b>	9	<b>(221,023)</b>	<b>30,491</b>	<b>-</b>	<b>(190,532)</b>	<b>413,313</b>
<b>Exceptional Item</b>	10	<b>(198,081)</b>	<b>-</b>	<b>-</b>	<b>(198,081)</b>	<b>(237,600)</b>
<b>Transfers between funds</b>	21	<b>(173,487)</b>	<b>173,487</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>OTHER RECOGNISED GAINS</b>						
Release of sleep-in payments provision	19	165,600	-	-	165,600	-
Actuarial gains relating to pension scheme deficit	19	56,014	-	-	56,014	-
Gain on disposal of fixed assets	14	352,200	-	-	352,200	-
<b>Net movement in funds</b>		<b>(18,777)</b>	<b>203,978</b>	<b>-</b>	<b>185,201</b>	<b>175,713</b>
<b>RECONCILIATION OF FUNDS</b>						
<b>Total funds brought forward</b>	13	<b>65,290</b>	<b>2,191,239</b>	<b>26,534</b>	<b>2,283,063</b>	<b>2,107,350</b>
<b>TOTAL FUNDS CARRIED FORWARD</b>	20	<b>46,513</b>	<b>2,395,217</b>	<b>26,534</b>	<b>2,468,264</b>	<b>2,283,063</b>

All income and expenditure has arisen from continuing activities.

The notes form part of these financial statements

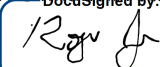
**WATFORD AND DISTRICT MENCAP SOCIETY****BALANCE SHEET****AT 31 MARCH 2022**

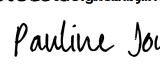
	Notes	<b>31.03.22</b> £	01.04.21 £
<b>FIXED ASSETS</b>			
Tangible assets	14	<b>2,196,524</b>	2,831,114
<b>CURRENT ASSETS</b>			
Debtors	15	<b>175,424</b>	65,852
Cash at bank		<b>1,059,449</b>	1,592,557
		<b>1,234,873</b>	1,658,409
<b>CREDITORS</b>			
Amounts falling due within one year	16	<b>(679,154)</b>	(885,514)
<b>NET CURRENT ASSETS</b>		<b>555,719</b>	772,895
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>		<b>2,752,243</b>	3,604,009
<b>CREDITORS</b>			
Amounts falling due after more than one year	17	<b>(254,013)</b>	(1,040,237)
<b>PROVISIONS</b>	19	<b>(29,966)</b>	(280,709)
<b>NET ASSETS</b>		<b>2,468,264</b>	2,283,063
<b>FUNDS</b>	21		
Unrestricted funds		<b>2,441,730</b>	2,256,529
Restricted funds		<b>26,534</b>	26,534
<b>TOTAL FUNDS</b>		<b>2,468,264</b>	2,283,063

These financial statements have been prepared in accordance with the special provisions of Part 15 of the Companies Act 2006 relating to small charitable companies.

9/12/2022

The financial statements were approved by the Board of Trustees on 05.01.2023 and were signed on its behalf by:

  
 F6302B3CE1A348F  
 Mr R F Jones – Trustee (Chair)

  
 24AF17239797431  
 Mrs P Joy – Trustee (acting Vice Chair, Treasurer)

REGISTERED COMPANY NUMBER: 02636705 (England and Wales)  
 REGISTERED CHARITY NUMBER: 1004431

The notes form part of these financial statements

**WATFORD AND DISTRICT MENCAP SOCIETY****CASH FLOW STATEMENT****FOR THE YEAR ENDED 31 MARCH 2022**

		<b>31.03.22</b>	<b>01.04.21</b>
	Notes	<b>£</b>	<b>£</b>
<b>Cash flows from operating activities:</b>			
<b>Net cash (used in) provided by operating activities</b>	28	<b>(704,170)</b>	863,772
<b>Interest paid</b>		<b>(30,897)</b>	-
<b>Cash flows from investing activities:</b>			
Interest received		<b>6,639</b>	7,081
Acquisition of property	14	<b>(131,569)</b>	(1,666,850)
Proceeds on disposal of property	14	<b>1,107,089</b>	-
<b>Net cash provided by (used in) investing activities</b>		<b>982,159</b>	(1,659,769)
<b>Cash flows from financing activities:</b>			
Repayment of bank loans	18	<b>(780,200)</b>	-
Proceeds from new bank loans	18	<b>-</b>	1,040,237
<b>Net cash (used in) provided by financing activities</b>		<b>(780,200)</b>	1,040,237
<b>Change in cash and cash equivalents in the reporting period</b>		<b>(533,108)</b>	244,240
<b>Cash and cash equivalents at the beginning of the reporting period</b>		<b>1,592,557</b>	1,348,317
<b>Cash and cash equivalents at the end of the reporting period</b>		<b>1,059,449</b>	1,592,557

The notes form part of these financial statements



**WATFORD AND DISTRICT MENCAP SOCIETY****NOTES TO THE FINANCIAL STATEMENTS****FOR THE YEAR ENDED 31 MARCH 2022**

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**1. COMPANY INFORMATION**

Watford and District Mencap Society is a public benefit entity registered as a charity in England and Wales and a company limited by guarantee. It was incorporated on 9 August 1991 (company number: 02636705) and registered as a charity on 15 October 1991 (charity number: 1004431).

The company was established under a Memorandum of Association which established the objects and powers of the charitable company and is governed under its Articles of Association.

In the event of the charitable company being wound up, members are required to contribute an amount not exceeding £1 each.

The registered office of the charity is: 92a Langley Road, Watford, Hertfordshire, England, WD17 4PJ.

**2. ACCOUNTING POLICIES****Basis of preparing the financial statements**

The financial statements of the charitable company, 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 financial statements in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2019)', Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' and the Companies Act 2006. The financial statements have been prepared under the historical cost convention. Assets and liabilities are initially recognised at historical cost or transaction value unless otherwise stated in the relevant accounting policy note(s).

The accounting period covers from 2 April 2021 to 31 March 2022 which is considered a year for purposes for these financial statements. As permitted by the Charities Act 2011 and Companies Act 2006, the year end per the financial statements is within seven days of the Accounting Reference Date of 31 March 2022.

**Preparation of the financial statements on a going concern basis**

The financial statements are drawn up on the going concern basis which assumes Watford and District Mencap Society will continue in operational existence for the foreseeable future. The Council of Management have given due consideration to the working capital and cash flow requirements of Watford and District Mencap Society. The Council of Management consider Watford and District Mencap Society's current and forecast cash

## **WATFORD AND DISTRICT MENCAP SOCIETY**

### **NOTES TO THE FINANCIAL STATEMENTS**

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

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## **2. ACCOUNTING POLICIES CONTINUED**

resources to be sufficient to cover the working capital requirements of the charity for at least 12 months from the date of signing the financial statements.

### **Critical accounting judgements and key sources of estimation uncertainty**

The preparation of the financial statements requires the Council of Management to make judgements, estimates and assumptions that affect the amounts reported for assets and liabilities as at the balance sheet date and the amounts reported for income and expenditure during the period. However, the nature of estimation means that actual outcomes could differ from those estimates.

The principal accounting policies adopted, judgements and key sources of estimation uncertainty in the preparation of the financial statements are as follows:

#### **Income**

Income is recognised when the charity has entitlement to the funds, any performance conditions attached to the item(s) of income have been met, it is probable that the income will be received and the amount can be measured reliably. Income received in advance of a service is deferred until the criteria for income recognition are met. Income arises in the United Kingdom.

Income from government and other grants, whether 'capital' grants or 'revenue' grants, is recognised when the charity has entitlement to the funds, any performance conditions attached to the grants have been met, it is probable that the income will be received and the amount can be measured reliably and is not deferred.

For legacies, entitlement is taken as the earlier of the date on which either: the charity is aware that probate has been granted, the estate has been finalised and notification has been made by the executor(s) to the Trust that a distribution will be made, or when a distribution is received from the estate. Receipt of a legacy, in whole or in part, is only considered probable when the amount can be measured reliably and the charity has been notified of the executor's intention to make a distribution. Where legacies have been notified to the charity, or the charity is aware of the granting of probate, and the criteria for

**WATFORD AND DISTRICT MENCAP SOCIETY****NOTES TO THE FINANCIAL STATEMENTS - CONTINUED****FOR THE YEAR ENDED 31 MARCH 2022**

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**2. ACCOUNTING POLICIES - continued**

income recognition have not been met, then the legacy is treated as a contingent asset and disclosed if material.

Gifts in kind are valued at estimated value to the charity. They are included in the charity's financial statements if the estimated value is in excess of £500.

Interest receivable on funds held on deposit is included when receivable and the amount can be measured reliably by the charity; this is normally upon notification of the interest paid or payable by the bank.

Unrestricted charitable donations are recognised in the financial statements when the charitable donation has been received or if before receipt, there is sufficient evidence to provide the necessary certainty that the donation will be received and the value of the incoming resources can be measured with sufficient reliability.

Donated professional services and facilities are recognised as income when the charity has control over the item, any conditions associated with the donated item have been met, the receipt of economic benefit from the use by the charity of the item is probable and that economic benefit can be measured reliably. In accordance with the Charities SORP (FRS 102), the general volunteer time is not recognised. On receipt, donated professional services and facilities are recognised on the basis of the value of the gift to the charity which is the amount the charity would have been willing to pay to obtain services or facilities of equivalent economic benefit on the open market; a corresponding amount is then recognised in expenditure in the period of receipt.

**Expenditure**

Liabilities are recognised as expenditure as soon as there is a legal or constructive obligation committing the charity to that expenditure, 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 accounted for on an accruals basis and has been classified under headings that aggregate all costs related to the category. Where costs cannot be directly attributed to particular headings they have been allocated to activities on a basis consistent with the use of resources. A further analysis of this expenditure is given in the notes to the financial statements.

- Cost of raising funds comprises fundraising activities and commercial trading, including their associated support costs.
- Expenditure on charitable activities includes the costs of the charity's services undertaken to further the purpose of the charity and their associated support costs.
- Other expenditure represents those items not falling into any other heading.

**WATFORD AND DISTRICT MENCAP SOCIETY****NOTES TO THE FINANCIAL STATEMENTS - CONTINUED****FOR THE YEAR ENDED 31 MARCH 2022**

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**2. ACCOUNTING POLICIES - continued****Tangible fixed assets**

Tangible fixed assets, are initially measured at historic cost and subsequently carried at cost less accumulated depreciation and any accumulated impairment losses. All costs incurred to bring an asset into its intended working condition are included in the measurement of cost. Assets are capitalised where the purchase price exceeds £500. The cost of properties is their purchase price together with the cost of improvement works.

At the reporting date, the Council of Management assess, without actually revaluing those assets, whether there is any indication that an asset may be impaired. An impairment loss is recognised if the recoverable amount of an asset is less than its carrying amount.

Depreciation is provided at rates calculated to write down the cost of each asset to its residual value (its scrap or realistic value at the end of its economic life) on a systematic basis over its useful economic life. The assets' residual values and useful lives are reviewed, and adjusted, if appropriate, at the end of each reporting period. The effect of any change is accounted for prospectively.

The main depreciation rates in use are as follows:

- Land - 0% assumed to have an unlimited useful life
- Freehold property - 2% on cost
- Fixtures and fittings - 25% reducing balance
- Motor vehicles - 33% reducing balance

Freehold properties acquired prior to 1 April 1996 are not depreciated as the historical cost between land and buildings cannot be reliably segregated. The Council of Management are satisfied, as the freehold properties are maintained to a good standard, that the aggregate value of the freehold properties at the reporting date is not less than the aggregate amount at which they are stated in the charity's financial statements. The freehold properties are accordingly stated in the financial statements on the basis that the residual value is greater than the asset's carrying amount and the depreciation charge is zero until its residual value subsequently decreases to an amount below the carrying amount.

**Cash and cash equivalents**

Cash and cash equivalents include cash in hand, deposits held at call with banks, other short-term liquid investments with original maturities of three months or less, and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities.

**WATFORD AND DISTRICT MENCAP SOCIETY****NOTES TO THE FINANCIAL STATEMENTS - CONTINUED****FOR THE YEAR ENDED 31 MARCH 2022**

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**2. ACCOUNTING POLICIES - continued****Taxation**

The charity is an institution which is established for charitable purposes within the meaning of the Charities Act 2011 and as such is a charity within the meaning of Para 1 of Schedule 6 to the Finance Act 2010. Accordingly, the charity is potentially exempt from taxation in respect of income or capital gains received within categories covered by Sections 478-488 of the Corporation Tax Act 2010 (formerly enacted in Section 505 of the Income and Corporation Taxes Act 1988) or Section 256 of the Taxation of Chargeable Gains Act 1992 to the extent that such income or gains are applied to exclusively charitable purposes. The charity receives no similar exemption in respect of Value Added Tax.

The charity is exempt from corporation tax on its charitable activities.

The charity is not registered for VAT, as the Council of Management consider the charity's incoming resources are exempt from VAT. VAT is included within the attributable cost under resources expended.

**Pension costs and other post-retirement benefits**

The charity made contributions to a defined benefit pension scheme on behalf of its employees up to September 2001. See note 25 for further information regarding this scheme.

The charity operates a defined contribution pension scheme. The assets of the scheme are held separately from those of the charity in an independently administered fund. The pension costs represent contributions payable under the scheme by the charity to the fund. The charity has no liability under the scheme other than for the payment of those contributions.

Contributions outstanding at the balance sheet date amounted to £nil (2021: £nil).

**Operating leases**

Rentals under operating leases are charged on a straight-line basis over the lease term, even if the payments are not made on such a basis. Benefits received and receivable as an incentive to sign an operating lease are similarly spread on a straight-line basis over the lease term which runs to the date of the first relevant break clause.

**Provision**

Provision is made for present obligations where it is probable settlement will be required in the future and the amount can be estimated reliably, but the amount or timing is not certain.

**WATFORD AND DISTRICT MENCAP SOCIETY****NOTES TO THE FINANCIAL STATEMENTS - CONTINUED****FOR THE YEAR ENDED 31 MARCH 2022**

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**2. ACCOUNTING POLICIES - continued**

The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the reporting end date, taking into account the risks and uncertainties surrounding the obligation. Where the effect of the time value of money is material, the amount expected to be required to settle the obligation is recognised at present value. When a provision is measured at present value, the unwinding of the discount is recognised as a finance cost in net income/(expenditure) in the period in which it arises.

**Basic financial instruments**

Financial assets (including cash and debtors) and financial liabilities are recognised when the charity becomes a party to the contractual provisions of the instrument. Additionally, all financial assets and liabilities are classified according to the substance of the contractual arrangements entered into.

Financial assets and liabilities are initially measured at transaction price (including transaction costs) and are subsequently remeasured where applicable at amortised cost.

Financial assets include cash, trade debtors and other debtors.

Financial liabilities include trade creditors, other creditors and accruals.

**Fund accounting**

**General funds** are available to spend on activities that further any of the purposes of the charity.

**Designated funds** are unrestricted funds of the charity which the Council of Management have decided at their discretion to set aside to use for a specific purpose.

**Restricted funds** are donations which the donor has specified are to be solely used for particular areas of the charity's work or for specific projects being undertaken by the charity.

Further explanation of the nature and purpose of each fund is included in note 21.

Funds are reviewed annually by the Council of Management and transfers are made between funds in order to meet the strategic objectives of the charity's business plan.

**WATFORD AND DISTRICT MENCAP SOCIETY****NOTES TO THE FINANCIAL STATEMENTS - CONTINUED****FOR THE YEAR ENDED 31 MARCH 2022****3. DONATIONS AND LEGACIES**

	<b>31.03.22</b>	<b>01.04.21</b>
	<b>£</b>	<b>£</b>
Donations	<b>43,514</b>	46,894
Legacies	<b>30,491</b>	972
	<b><u>74,005</u></b>	<b><u>47,866</u></b>

**4. OTHER TRADING ACTIVITIES**

	<b>31.03.22</b>	<b>01.04.21</b>
	<b>£</b>	<b>£</b>
Shop income	<b>56,475</b>	19,841
Other fundraising activities	<b>22,709</b>	27,901
	<b><u>79,184</u></b>	<b><u>47,742</u></b>

**5. INVESTMENT INCOME**

	<b>31.03.22</b>	<b>01.04.21</b>
	<b>£</b>	<b>£</b>
Bank and Building Society interest	<b><u>6,639</u></b>	<b><u>7,081</u></b>

**6. INCOME FROM CHARITABLE ACTIVITIES**

	<b>31.03.22</b>	<b>01.04.21</b>
	<b>£</b>	<b>£</b>
From public authorities *	<b>2,397,652</b>	2,467,084
Grants	<b>131,773</b>	288,231
Rental income	<b>112,303</b>	141,811
Fees for using facilities and services	<b>124,892</b>	85,543
	<b><u>2,766,620</u></b>	<b><u>2,982,669</u></b>

\* Includes income generated by the Fundraising team participating in Hertfordshire County Council tenders.

**WATFORD AND DISTRICT MENCAP SOCIETY****NOTES TO THE FINANCIAL STATEMENTS - CONTINUED****FOR THE YEAR ENDED 31 MARCH 2022****7. COSTS OF RAISING FUNDS****Fundraising activities**

	<b>31.03.22</b>	<b>01.04.21</b>
	<b>£</b>	<b>£</b>
Raising income	<b><u>73,539</u></b>	<b><u>65,271</u></b>

**Other trading activities**

	<b>31.03.22</b>	<b>01.04.21</b>
	<b>£</b>	<b>£</b>
Fundraising trading: cost of goods sold and other costs		
Shop expenditure	<b><u>50,553</u></b>	<b><u>39,656</u></b>
Aggregate fund raising expenditure	<b><u>124,092</u></b>	<b><u>104,927</u></b>

**8. CHARITABLE ACTIVITIES COSTS**

	<b>Direct costs</b>	<b>Support costs</b>	<b>Total</b>	<b>Total</b>
	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>
Advice and information	<b>71,244</b>	<b>19,470</b>	<b>90,714</b>	<b>98,795</b>
Learning and leisure	<b>544,367</b>	<b>51,470</b>	<b>595,837</b>	<b>515,784</b>
Right support	<b><u>1,605,563</u></b>	<b><u>723,757</u></b>	<b><u>2,329,320</u></b>	<b><u>1,954,197</u></b>
	<b><u>2,221,174</u></b>	<b><u>794,697</u></b>	<b><u>3,015,871</u></b>	<b><u>2,568,776</u></b>

**9. NET INCOME****Net income is stated after crediting/(charging):**

	<b>31.03.22</b>	<b>01.04.21</b>
	<b>£</b>	<b>£</b>
Occupancy lease income	<b>112,302</b>	<b>141,811</b>
Depreciation - owned assets (note 14)	<b>(11,270)</b>	<b>(7,366)</b>
Auditor's remuneration – audit	<b>(7,900)</b>	<b>(7,100)</b>
Auditor's remuneration – non-audit	<b>(2,270)</b>	<b>(1,200)</b>
Occupancy licence/lease costs	<b><u>(50,049)</u></b>	<b><u>(95,423)</u></b>

**10. EXCEPTIONAL ITEM**

The exceptional item relates to non-capital significant refurbishment of the new community hub at 92a Langley Road.



**WATFORD AND DISTRICT MENCAP SOCIETY****NOTES TO THE FINANCIAL STATEMENTS - CONTINUED****FOR THE YEAR ENDED 31 MARCH 2022****11. TRUSTEES' REMUNERATION AND BENEFITS**

No trustees' remuneration or other benefits were paid either for the year ended 31 March 2022 or the previous year.

No trustee received payment for professional or other services supplied to the charity. Unrestricted donations totalling £75 were received from trustees in the year.

The trustees were able to use services used generally by beneficiaries and members of the charity.

**Trustees' expenses**

No trustees' expenses were paid, either for the year ended 31 March 2022 or the previous year.

**12. STAFF COSTS**

Total staff costs were as follows:

	<b>31.03.22</b>	01.04.21
	£	£
Wages and salaries	<b>1,879,550</b>	1,820,300
Social security costs	<b>129,309</b>	131,586
Pension costs (note 19)	<b>37,326</b>	39,007
	<b><u>2,046,185</u></b>	<u>1,990,893</u>

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

	<b>31.03.22</b>	01.04.21
Office management	<b>25</b>	21
Support workers	<b>133</b>	113
	<b><u>158</u></b>	<u>134</u>

One employee received emoluments in excess of £60,000 (2021: None).

The charity pays contributions into a group scheme with the Pensions Trust. The pension cost for the year was £37,326 (2021: £39,007).

The key management personnel of the charity comprise the Council of Management, the Chief Executive, the Finance Manager, the HR Manager, the Head of Operations Manager and the Fundraising Manager. The total employee benefits, including pension contributions, of the key management personnel of the charity were £293,850 (2021: £236,801).

**WATFORD AND DISTRICT MENCAP SOCIETY****NOTES TO THE FINANCIAL STATEMENTS - CONTINUED****FOR THE YEAR ENDED 31 MARCH 2022****13. COMPARATIVES FOR THE STATEMENT OF FINANCIAL ACTIVITIES****FOR THE YEAR ENDED 01 APRIL 2021 --RESTATED**

	General funds £	Designated funds £	Restricted funds £	Total funds 01.4.21 £
<b>INCOME</b>				
Donations and legacies	47,866	-	-	47,866
Charitable activities				
From public authorities	1,915,151	-	551,933	2,467,084
Grants	208,382	-	79,849	288,231
Rental income	141,811	-	-	141,811
Fees for using facilities and services	85,543	-	-	85,543
Other trading activities	47,742	-	-	47,742
Investment income	7,081	-	-	7,081
Other income	1,658	-	-	1,658
<b>Total</b>	<b>2,455,234</b>	<b>-</b>	<b>631,782</b>	<b>3,087,016</b>
<b>EXPENDITURE</b>				
Raising funds				
Fundraising activities	65,271	-	-	65,271
Other trading activities	20,958	-	18,698	39,656
Charitable activities				
Advice and information	87,295	-	11,500	98,795
Learning and leisure	469,093	-	46,691	515,784
Right support	1,399,304	-	554,893	1,954,197
<b>Total</b>	<b>2,041,921</b>	<b>-</b>	<b>631,782</b>	<b>2,673,703</b>
<b>NET INCOME</b>	<b>413,313</b>	<b>-</b>	<b>-</b>	<b>413,313</b>
Exceptional item	(237,600)	-	-	(237,600)
Transfers between funds	(619,247)	619,247	-	-
Net movement in funds	(443,534)	619,247	-	175,713
<b>RECONCILIATION OF FUNDS</b>				
Total funds brought forward	508,824	1,571,992	26,534	2,107,350
<b>TOTAL FUNDS CARRIED FORWARD</b>	<b>65,290</b>	<b>2,191,239</b>	<b>26,534</b>	<b>2,283,063</b>

**WATFORD AND DISTRICT MENCAP SOCIETY****NOTES TO THE FINANCIAL STATEMENTS - CONTINUED****FOR THE YEAR ENDED 31 MARCH 2022****14. TANGIBLE FIXED ASSETS**

	Land and buildings £	Fixtures and fittings £	Motor vehicles £	Totals £
<b>COST</b>				
At 2 April 2021	2,861,639	97,870	29,850	2,989,359
Addition	131,569	-	-	131,569
Disposal	(790,684)	-	-	(790,684)
At 31 March 2022	<u>2,202,524</u>	<u>97,870</u>	<u>29,850</u>	<u>2,330,244</u>
<b>DEPRECIATION</b>				
At 2 April 2021	30,525	97,870	29,850	158,245
Charge for year	11,270	-	-	11,270
Eliminated on disposal	(35,795)	-	-	(35,795)
At 31 March 2022	<u>6,000</u>	<u>97,870</u>	<u>29,850</u>	<u>133,720</u>
<b>NET BOOK VALUE</b>				
At 31 March 2022	<u>2,196,524</u>	<u>-</u>	<u>-</u>	<u>2,196,524</u>
At 1 April 2021	<u>2,831,114</u>	<u>-</u>	<u>-</u>	<u>2,831,114</u>

Included in cost of land and buildings is freehold property of £850,000 (2021: £730,385). During the year, one of the charity's properties was sold for £1,107,089. The net book value of this property at the date of sale was £754,889 so a gain on disposal of £352,200 has been recognised in the accounts.

**15. DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR**

	31.03.22 £	01.04.21 £
Trade debtors	172,424	61,256
Prepayments and accrued income	<u>3,000</u>	<u>4,596</u>
	<u>175,424</u>	<u>65,852</u>

**16. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR**

	31.03.22 £	01.04.21 £
Trade creditors	122,662	88,962
Other creditors	45,375	63,234
Individual service funds	136,623	141,553
Accruals	317,947	520,060
Deferred income	50,523	71,705
Bank loans	18 6,024	-
	<u>679,154</u>	<u>885,514</u>

Deferred income relates to amounts deferred on grants where the grant conditions were not met at the year-end.

**WATFORD AND DISTRICT MENCAP SOCIETY****NOTES TO THE FINANCIAL STATEMENTS - CONTINUED****FOR THE YEAR ENDED 31 MARCH 2022****17. CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR**

		<b>31.03.22</b>	01.04.21
		<b>£</b>	<b>£</b>
Bank loans	18	<b><u>254,013</u></b>	<b><u>1,040,237</u></b>
		<b><u>254,013</u></b>	<b><u>1,040,237</u></b>

**18. BORROWINGS**

		<b>31.03.22</b>	01.04.21
		<b>£</b>	<b>£</b>
Loans		<b><u>260,037</u></b>	<b><u>1,040,237</u></b>
Payable within one year		<b>6,024</b>	-
Payable after one year		<b><u>254,013</u></b>	<b><u>1,040,237</u></b>

Amounts included above which fall due after five years:

Payable by instalments	<b><u>224,309</u></b>	<b><u>914,783</u></b>
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The loan is secured over the assets and undertakings of the charity by way of fixed and floating charges.

**WATFORD AND DISTRICT MENCAP SOCIETY****NOTES TO THE FINANCIAL STATEMENTS - CONTINUED****FOR THE YEAR ENDED 31 MARCH 2022****19. PROVISIONS**

	<b>31.03.22</b>	01.04.21
	£	£
Sleep-in payments	-	165,600
Pension deficit funding arrangement	<u>29,966</u>	<u>115,109</u>
	<u><b>29,966</b></u>	<u><b>280,709</b></u>

Sleep in payments provision – the provision was originally set up in 2018 following a case that was taken to court regarding payment of the national minimum wage rate for every hour of sleep-in shifts. In March 2021, the Supreme Court ruled that workers do not need to be paid at this rate and so the provision was released in full in the year.

**Pension deficit funding arrangement****Reconciliation of opening and closing provision**

	<b>31.03.22</b>	01.04.21
	£	£
Provision at start of period	<b>115,109</b>	136,388
Unwinding of the discount factor (interest expense)	<b>664</b>	3,066
Deficit reduction payment	<b>(29,129)</b>	(28,281)
Remeasurements - impact of changes in assumptions	<b>(689)</b>	3,936
Remeasurements - amendments to the contribution schedule	<u><b>(55,989)</b></u>	<u>-</u>
Provision at end of period	<u><b>29,966</b></u>	<u><b>115,109</b></u>

**Income and expenditure impact**

	<b>31.03.22</b>	01.04.21
	£	£
Unwinding of the discount factor (interest expense)	<b>664</b>	-
Remeasurements - impact of changes in assumptions	<b>(689)</b>	-
Remeasurements - amendments to the contribution schedule	<u><b>(55,989)</b></u>	<u>-</u>
Actuarial gains relating to pension scheme deficit	<u><b>(56,014)</b></u>	<u>-</u>

Contributions paid (see note below)	<u><b>37,326</b></u>	<u><b>39,007</b></u>
Costs recognised in staff costs	<u><b>37,326</b></u>	<u><b>39,007</b></u>

**Note**

Includes payments in respect of a defined contribution scheme and service contributions (i.e. excluding deficit reduction payments) in respect of a defined benefit scheme which is now treated as a defined contribution scheme.

More details are disclosed in the pensions note 25.

**WATFORD AND DISTRICT MENCAP SOCIETY****NOTES TO THE FINANCIAL STATEMENTS - CONTINUED****FOR THE YEAR ENDED 31 MARCH 2022****20. ANALYSIS OF NET ASSETS BETWEEN FUNDS**

<b>Current year</b>	<b>General funds</b>	<b>Designated funds</b>	<b>Restricted funds</b>	<b>Total funds 31.03.22</b>
	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>
Fixed assets	-	2,196,524	-	2,196,524
Current assets	749,609	458,730	26,534	1,234,873
Current liabilities	(673,130)	(6,024)	-	(679,154)
Non-current liabilities	-	(254,013)	-	(254,013)
Provision	(29,966)	-	-	(29,966)
	<u>46,513</u>	<u>2,395,217</u>	<u>26,534</u>	<u>2,468,264</u>

<b>Comparative year</b>	<b>General funds</b>	<b>Designated funds</b>	<b>Restricted funds</b>	<b>Total funds 01.04.21</b>
	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>
Fixed assets	-	2,831,114	-	2,831,114
Current assets	1,231,513	400,362	26,534	1,658,409
Current liabilities	(885,514)	-	-	(885,514)
Non-current liabilities	-	(1,040,237)	-	(1,040,237)
Provision	(280,709)	-	-	(280,709)
	<u>65,290</u>	<u>2,191,239</u>	<u>26,534</u>	<u>2,283,063</u>

**21. MOVEMENT IN FUNDS**

<b>Current year</b>	<b>At 02.04.21</b>	<b>Income Expenditure</b>		<b>Other gains and losses</b>	<b>Transfers</b>	<b>At 31.03.22</b>
		<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>
<b>Unrestricted funds</b>						
General funds	65,290	2,499,535	(2,918,639)	573,814	(173,487)	46,513
Designated - Repairs and building	75,653	-	-	-	-	75,653
Designated - Charles Hatch Bequest	25,122	-	-	-	-	25,122
Designated - Malcom legacy	-	30,491	-	-	-	30,491
Designated - Transport	34,372	-	-	-	-	34,372
Designated - Tangible fixed assets	1,790,877	-	-	-	145,610	1,936,487
Designated - Pension	265,215	-	-	-	27,877	293,092
	<u>2,256,529</u>	<u>2,530,026</u>	<u>(2,918,639)</u>	<u>573,814</u>	<u>-</u>	<u>2,441,730</u>
<b>Restricted funds</b>						
Advice	-	42,000	(42,000)	-	-	-
Afterschool Club	-	13,320	(13,320)	-	-	-
Berrywood	-	-	-	-	-	-
Café	-	17,224	(17,224)	-	-	-
Hertfordshire Mencaps	1,284	-	-	-	-	1,284
Individual Service Funds	-	336,098	(336,098)	-	-	-
Hillside	-	-	-	-	-	-
Learning and leisure	-	6,000	(6,000)	-	-	-
Legacy	25,250	-	-	-	-	25,250
Shop	-	4,763	(4,763)	-	-	-
Technology	-	-	-	-	-	-
	<u>26,534</u>	<u>419,405</u>	<u>(419,405)</u>	<u>-</u>	<u>-</u>	<u>26,534</u>
<b>TOTAL FUNDS</b>	<u>2,283,063</u>	<u>2,949,431</u>	<u>(3,338,044)</u>	<u>573,814</u>	<u>-</u>	<u>2,468,264</u>

**WATFORD AND DISTRICT MENCAP SOCIETY****NOTES TO THE FINANCIAL STATEMENTS - CONTINUED****FOR THE YEAR ENDED 31 MARCH 2022****21. MOVEMENT IN FUNDS - continued**

<b>Comparative year</b>	<b>At 01.04.20</b>	<b>Income</b>	<b>Expenditure</b>	<b>Transfers between funds</b>	<b>At 01.04.21</b>
	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>
<b>Unrestricted funds</b>					
General funds	508,824	2,455,234	(2,279,521)	(619,247)	65,290
Designated - Repairs and building	75,653	-	-	-	75,653
Designated - Charles Hatch Bequest	25,122	-	-	-	25,122
Designated - Transport	34,372	-	-	-	34,372
Designated - Tangible fixed assets	1,171,630	-	-	619,247	1,790,877
Designated - Pension	265,215	-	-	-	265,215
	<u>2,080,816</u>	<u>2,455,234</u>	<u>(2,279,521)</u>	<u>-</u>	<u>2,256,529</u>
<b>Restricted funds</b>					
Advice	-	11,500	(11,500)	-	-
Afterschool Club	-	36,287	(36,287)	-	-
Berrywood	-	987	(987)	-	-
Hertfordshire Mencaps	1,284	-	-	-	1,284
Individual Service Funds	-	551,933	(551,933)	-	-
Hillside	-	1,973	(1,973)	-	-
Learning and leisure	-	6,250	(6,250)	-	-
Legacy	25,250	-	-	-	25,250
Shop	-	18,698	(18,698)	-	-
Technology	-	4,154	(4,154)	-	-
	<u>26,534</u>	<u>631,782</u>	<u>(631,782)</u>	<u>-</u>	<u>26,534</u>
<b>TOTAL FUNDS</b>	<u>2,107,350</u>	<u>3,087,016</u>	<u>(2,911,303)</u>	<u>-</u>	<u>2,283,063</u>

**Unrestricted funds:**

**General funds** are the "free" reserves after allowing for all designated funds.

**Designated funds** are amounts that have been put aside at the discretion of the Council of Management for specific purposes, as follows:

**Repairs and building** - funds set aside for the maintenance of and future liabilities arising from the properties owned and managed by the charity.

**Charles Hatch Bequest** - funds from which, at the discretion of the Council of Management, small grants may be made to people with disabilities who are in urgent need.

**Malcom Legacy** - funds from which, at the discretion of the Council of Management, will be used for garden works and the play barn.

**Transport** - funds set aside to replace the charity's vehicles at the end of their useful lives.

**Tangible fixed assets** - funds set aside to replace the charity's assets at the end of their useful lives.

**Pension** - funds set aside to cover potential employer debt on withdrawal from pension scheme.

## **WATFORD AND DISTRICT MENCAP SOCIETY**

### **NOTES TO THE FINANCIAL STATEMENTS - CONTINUED**

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

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#### **21. MOVEMENT IN FUNDS – continued**

##### **Restricted funds:**

**The restricted funds** of the charity are all income funds. The funds are subject to conditions imposed by the donors and are for the following reasons:

**Advice** – Funds restricted for direct costs of providing advice and information service

**Afterschool club** – funds restricted for the direct costs involved with providing after school activities for children and young people.

**Berrywood** – Funds restricted for the direct costs involved in the residential care home

**Café** – Funds restricted for the setup of the café in the Watford central library.

**Hertfordshire Mencaps** - partnership grant held for Hertfordshire Mencaps.

**Individual Service Funds** - funds restricted for the provision of individual personalised services.

**Hillside** – roof repairs.

**Learning and leisure** - funds restricted for the provision of learning and leisure activities.

**Legacy** - legacy to be utilised for specific projects.

**Shop** – Funds restricted for the direct costs involved with the Bushey charity shop

**Technology** - funds restricted for the delivery of a technology club for children and young people.

##### **Transfers:**

A transfer of £145,610 (2021: £619,247) has been made from general funds to the designated tangible fixed assets and £27,877 to the designated pension fund.

#### **22. RELATED PARTY DISCLOSURES**

There were no related party transactions for the year ended 31 March 2022 nor for the year ended 01 April 2021.

#### **23. ULTIMATE CONTROLLING PARTY**

In the opinion of the trustees the charity does not have an ultimate controlling party. There has been no change between the reporting date and date of approval of the financial statements.

#### **24. EVENTS AFTER THE REPORTING PERIOD**

Events after the reporting date are those events, favourable or unfavourable, that occur between the balance sheet date and the date when the financial statements are authorised. There are no adjusting events after the reporting period which will have a material effect on the financial statements of the charity.



**WATFORD AND DISTRICT MENCAP SOCIETY****NOTES TO THE FINANCIAL STATEMENTS - CONTINUED****FOR THE YEAR ENDED 31 MARCH 2022**

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**25. PENSIONS****The Pensions Trust - Growth Plan Scheme****Background**

The charity participates in the above Scheme. The Scheme is funded and is not-contracted out of the State scheme.

Contributions paid by the charity into the Scheme up to and including September 2001 were converted to defined amounts of pension payable from the National Retirement Date. This scheme is known as Growth Plan Series 3 ("GP3"). From October 2001 contributions from the charity were invested in personal funds which are converted to a pension on retirement, either within the Scheme or by the purchase of an annuity. This scheme is known as Growth Plan Series 4 ("GP4").

GP3 closed to further contributions from 30 September 2013, and during that year the charity consulted with employees and decided to offer GP4 from 1 October 2013 rather than exit the Scheme altogether and closed GP3 to new entrants. GP4 is deemed to be a "qualifying scheme" for the purposes of Auto Enrolment, and is in use by the charity as an Auto-Enrolment vehicle since its staging date of 1 May 2014. As at the balance sheet date there were 70 (2021: 70) active members of the Scheme employed by the charity.

The Pensions Act 2011 changed the definition of Money Purchase schemes, following which GP3 was classified as a defined benefit scheme. As a result, any liabilities within this Scheme must be included in the calculation of any debt on withdrawal.

It is not possible in the normal course of events to identify on a reasonable and consistent basis the share of underlying assets and liabilities belonging to individual participating employers because the Scheme is a multi-employer scheme, where the assets are co-mingled for investment purposes, and benefits are paid out of the Scheme's total assets.

**Employer's debt on withdrawal**

An employer debt will arise if the Scheme is wound up; a participating employer becomes insolvent; ceases to participate in the Scheme, or ceases to exist.

A debt liability will not crystallise as long as the charity continues to employ an active member of the Scheme. Note that failure to submit the Additional Contributions (see below) may result in the Trustee terminating the employer's participation in the Scheme, resulting in a cessation event. Should the charity withdraw from the Scheme, the actual debt figure would have to be calculated by the Scheme actuary at the date of withdrawal.

**WATFORD AND DISTRICT MENCAP SOCIETY****NOTES TO THE FINANCIAL STATEMENTS - CONTINUED****FOR THE YEAR ENDED 31 MARCH 2022**

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**25. PENSIONS - continued****Valuation**

The Scheme Trustee commissions an actuarial valuation of the Scheme every three years. The most recent valuation was at 30 September 2020 (previous valuation was at 30 September 2017). The purpose of the actuarial valuation is to determine the funding position of the Scheme by comparing the assets with past service liabilities as at the valuation date. Asset values are calculated by reference to market levels. Accrued past service liabilities are valued by discounting expected future benefit payments using a discount rate calculated by reference to the expected future investment returns.

The valuation at 30 September 2020 was performed by a professionally qualified Actuary using the Projected Unit Method. The market value of the Scheme's assets at the valuation date was £800 million (30 September 2017: £795 million) and the Scheme's Technical Provisions (i.e. past service liabilities) were £832 million (30 September 2017: £927 million). The valuation therefore revealed a shortfall of assets compared with the value of liabilities of £32 million (30 September 2017: £132 million).

**Buy Out Basis of valuation**

The buy out (or, solvency) basis is the statutorily prescribed basis for calculating an employer's debt on withdrawal. It is also known as a "Section 75 debt" from that part of the Pensions Act 2004.

The debt for the Scheme as a whole is calculated by comparing the liabilities for the Scheme (calculated on a buy-out basis i.e. the cost of securing benefits by purchasing annuity policies from an insurer, plus an allowance for expenses) with the assets of the scheme. If the liabilities exceed the assets there is a buy-out debt.

Insurance companies tend to price annuities based on conservative assumptions for future investment returns and build in a risk allowance or safety margin to allow for the fact that the benefits are guaranteed. An element of profit is also included in the calculation. As a result, buy-out liabilities of the Scheme are significantly higher than the ongoing liabilities.

The leaving employer's share of the buy-out debt is the proportion of the Scheme's liability attributable to employment with the leaving employer compared to the total amount of the Scheme's liabilities (relating to employment with all the currently participating employers). The leaving employer's debt therefore includes a share of any 'orphan' liabilities in respect of previously participating employers. The amount of the debt therefore depends on many factors including total Scheme liabilities, Scheme investment performance, the liabilities in respect of current and former employees of the employer, financial conditions at the time of the cessation event and the insurance buy-out market. The amounts of debt can therefore be volatile over time.

**Pension deficit funding arrangement**

The company participates in the scheme, a multi-employer scheme which provides benefits to some 638 non-associated participating employers. The scheme is a defined benefit scheme in the UK. It is not possible for the company to obtain sufficient information to enable it to account for the scheme as a defined benefit scheme. Therefore it accounts for the scheme as a defined contribution scheme.

**WATFORD AND DISTRICT MENCAP SOCIETY****NOTES TO THE FINANCIAL STATEMENTS - CONTINUED****FOR THE YEAR ENDED 31 MARCH 2022**

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**25. PENSIONS - continued****Pension deficit funding arrangement - continued**

The scheme is subject to the funding legislation outlined in the Pensions Act 2004 which came into force on 30 December 2005. This, together with documents issued by the Pensions Regulator and Technical Actuarial Standards issued by the Financial Reporting Council, set out the framework for funding defined benefit occupational pension schemes in the UK.

The scheme is classified as a 'last-man standing arrangement'. Therefore the company is potentially liable for other participating employers' obligations if those employers are unable to meet their share of the scheme deficit following withdrawal from the scheme. Participating employers are legally required to meet their share of the scheme deficit on an annuity purchase basis on withdrawal from the scheme.

A full actuarial valuation for the scheme was carried out at 30 September 2020. This valuation showed assets of £800.3m, liabilities of £831.9m and a deficit of £31.6m. To eliminate this funding shortfall, the Trustee has asked the participating employers to pay additional contributions to the scheme as follows:

**Deficit contributions**

From 1 April 2022 to 31 January 2025:      £3,312,000 per annum  
(payable monthly)

Unless a concession has been agreed with the Trustee the term to 31 January 2025 applies.

Note that the scheme's previous valuation was carried out with an effective date of 30 September 2017. This valuation showed assets of £794.9m, liabilities of £926.4m and a deficit of £131.5m. To eliminate this funding shortfall, the Trustee asked the participating employers to pay additional contributions to the scheme as follows

**Deficit contributions**

From 1 April 2019 to 30 September 2025:    £11,243,000 per annum  
(payable monthly and increasing by 3% each on 1st April)

The recovery plan contributions are allocated to each participating employer in line with their estimated share of the Series 1 and Series 2 scheme liabilities.

Where the Scheme is in deficit and where the charity has agreed to a deficit funding arrangement the charity recognises a liability for this obligation. The amount recognised is the net present value of the deficit reduction contributions payable under the agreement that relates to the deficit. The present value is calculated using the discount rate detailed in these disclosures. The unwinding of the discount rate is recognised as a finance cost.

**WATFORD AND DISTRICT MENCAP SOCIETY****NOTES TO THE FINANCIAL STATEMENTS - CONTINUED****FOR THE YEAR ENDED 31 MARCH 2022****25. PENSIONS - continued**

## Assumptions

	31 March 2022	1 April 2021	31 March 2020
	% per annum	% per annum	% per annum
Rate of discount	2.35	0.66	2.53

The discount rates shown above are the equivalent single discount rates which, when used to discount the future recovery plan contributions due, would give the same results as using a full AA corporate bond yield curve to discount the same recovery plan contributions.

The following schedule details the deficit contributions agreed between the charity and the Scheme at each year end period:

Deficit contribution schedule	31 March 2022	1 April 2021	31 March 2020
	£000s	£000s	£000s
Year 1	11	29	28
Year 2	11	30	29
Year 3	9	31	30
Year 4	-	27	31
Year 5	-	-	27

It is these contributions that have been used to derive the charity's balance sheet liability of £29,966 (2021: £115,109).

**26. COMPANY LIMITED BY GUARANTEE**

The charitable company is limited by guarantee and has no share capital. Every member of the company undertakes to contribute to the assets of the company in the event of its being wound up, for payments of the debts and liabilities of the company, such amount as may be required, not exceeding £1.

**WATFORD AND DISTRICT MENCAP SOCIETY****NOTES TO THE FINANCIAL STATEMENTS - CONTINUED****FOR THE YEAR ENDED 31 MARCH 2022****27. FINANCIAL INSTRUMENTS**

The charity has the following financial instruments:

	Notes	31.03.22 £	01.04.21 £
<b>Financial assets measured at amortised cost</b>			
- Cash and cash equivalents		<b>1,059,449</b>	1,592,557
- Trade debtors	15	<b>172,424</b>	61,256
		<b><u>1,231,873</u></b>	<b><u>1,653,813</u></b>
<b>Financial liabilities measured at amortised cost</b>			
- Trade creditors	16	<b>122,662</b>	88,962
- Other creditors	16	<b>45,375</b>	63,234
- Individual service funds	16	<b>136,623</b>	141,553
- Accruals	16	<b>317,947</b>	520,060
- Bank loans	18	<b>260,037</b>	1,040,237
		<b><u>882,644</u></b>	<b><u>1,854,046</u></b>

**28. RECONCILIATION OF NET INCOME TO NET CASH FLOW FROM OPERATING ACTIVITIES**

	31.03.22 £	01.04.21 £
<b>Net movement in funds for the reporting period (as per the statement of financial activities)</b>	<b>185,201</b>	175,713
<b>Adjustments for:</b>		
Depreciation charges	<b>11,270</b>	7,366
Interest payable	<b>30,897</b>	-
Gain on disposal of fixed assets	<b>(352,200)</b>	-
Actuarial gains relating to pension scheme deficit	<b>(56,014)</b>	-
Interest received	<b>(6,639)</b>	(7,081)
Release of sleep-in payments provision	<b>(165,600)</b>	-
(Increase)/decrease in debtors	<b>(109,572)</b>	132,926
(Decrease)/increase in creditors/provisions	<b>(241,513)</b>	554,848
<b>Net cash (used in) provided by operating activities</b>	<b><u>(704,170)</u></b>	<b><u>863,772</u></b>

**29. ANALYSIS OF CHANGES IN NET CASH**

Current year	At 01.04.21 £	Cash flows £	At 31.03.22 £
Cash at bank and in hand	1,592,557	(533,108)	1,059,449
Borrowings	(1,040,237)	780,200	(260,037)
	<b><u>552,320</u></b>	<b><u>247,092</u></b>	<b><u>799,412</u></b>