



Sutton Mencap Charity Company

**Annual Report and Financial Statements
For the year ended 31 March 2020**

**Charity number: 1080514
Company number: 03915936**

Sutton Mencap Charity Company

Annual Report and Financial Statements Year ended 31 March 2020

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Sutton Mencap Charity Company

Company information

Trustee Board

Chairman:	Mavis Peart OBE
Vice-Chairman:	Clare Fionda
Treasurer:	Paul Solomon
Trustee:	Titilayo Dairo
Trustee:	Kevin Dillon
Trustee:	Dennis Henstock (from May 2019)
Trustee:	Michele Humphreys
Trustee:	Edwina Morris
Trustee:	Michelle Perrett
Trustee:	Amit Srivastava (from November 2019)
Company Secretary:	David Hobday

Members of the Trustee Board are the directors of the company.

Company Status

The company is a company limited by guarantee, not having a share capital and is registered in England and Wales.

Registered company number: 03915936

Registered charity number: 1080514

Registered Office:

8 Stanley Park Road
Wallington
SM6 0EU

Bankers

CAF Bank
25 Kings Hill Avenue
Kings Hill
West Mailing
Kent
ME19 4JQ

Independent Examiner

Kevin Fisher
Myrus Smith
Norman House
8 Burnell Road
Sutton
SM1 4BW

Sutton Mencap Charity Company

Report of the Trustees

Year ended 31 March 2020

Structure, Governance and Management

Governing document

Sutton Mencap Charity Company is a charity registered with the Charity Commission and a Company Limited by Guarantee. The Charity Company was registered on 28 January 2000 and uses Sutton Mencap as its working name. The company was set up 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 company being wound up members are required to contribute an amount not exceeding £1.

Appointment of trustees

The Trustee Board for the Company is made up of a maximum of 12 members: the honorary officers plus up to 8 members. Honorary officers and members are elected at an Annual General Meeting. The Trustee Board may also co-opt members to fill skills gaps, provided that the number of co-opted members does not make up more than one-third of the Trustee Board's membership.

Trustee recruitment

Trustee recruitment is carried out according to policies which are reviewed on a regular basis. Potential trustees are invited to observe a trustee meeting and interviewed by the Chair and/ or another trustee.

Trustee induction and training

New trustees participate in an induction programme led by the Chief Executive Officer. They are invited to meet with key staff in the organisation and visit a range of services and are provided with an induction pack containing the Memorandum and Articles of Association, latest annual report and financial statements, strategic plan and key policies and procedures. Trustees participate in internal and external training, including an annual away day.

Organisational structure

The Trustee Board governs the charity and usually meets 8 times a year. The Trustee Board appoints a Chief Executive Officer to manage the day-to-day operations of the charity. The Chief Executive Officer attends Trustee Board meetings and advises and reports to the Trustees.

Risk management and control

The Trustee Board has a formal risk management strategy which enables it to identify and mitigate the major risks to which the charity is exposed. The strategy consists of:

- an annual review of the risks which the charity may have to face;
- the establishment of systems and procedures to mitigate those risks;
- the implementation of procedures designed to report on and minimise any potential impact on the charity should any of those risks materialise.

The principle risks, and actions taken to mitigate them are grouped under the following headings:

Sutton Mencap Charity Company

Governance

Procedures are in place to monitor the success of recruitment and the mix of skills and life experiences trustees bring to the organisation. Effective decision making is monitored through the adoption and delivery of strategic plans.

Finance

Trustees consider management accounts, cash flow, and unpaid debts on a quarterly basis. Trustees have in place a fundraising strategy and set and monitor annual targets for fundraising from a range of different sources. Trustees ensure the charity operates effective financial controls to mitigate the potential for fraud or error.

Staffing and volunteering

Trustees receive regular reports on staffing levels and staff recruitment. Trustees ensure the charity operates clear policies on staff recruitment, management and training, disciplinary and grievance procedures, as well as operational policies and procedures.

Legal compliance

Trustees ensure the charity has a range of up to date policies in place and seeks external advice and expertise where required to ensure legal compliance.

Service delivery

Trustees receive regular reports from staff on service delivery issues. They also monitor service user feedback and compliance with contract and grant requirements from funders. Trustees allocate resources for quality assurance systems and staff training, including resources devoted to meet safeguarding responsibilities.

Buildings, plant and equipment

Trustees consider premises requirements and compliance with the building lease. Trustees allocate resources for building and equipment maintenance and monitor expenditure.

External relationships and environment

Trustees ensure the charity maintains appropriate relationships with key local and national bodies and keeps abreast of changes in local and national policy which could have an impact on the charity.

Strategic plan

Trustees agreed a 5-year strategic plan which began on 1st April 2019. The plan is centred around our vision, which is that all people with a learning disability should be able to lead fulfilling lives and achieve their aspirations and potential.

Sutton Mencap's overall aim is to improve the lives of children and adults with a learning disability and their carers by:

- Reducing isolation and developing networks;
- Improving life skills, promoting independence and enabling choice and control;
- Supporting parents and carers; and
- Raising awareness of needs and promoting inclusion.

The specific strategic objectives in the new plan are set out under 3 broad headings:

Sutton Mencap Charity Company

1. Service development

- To increase local provision of specialist children and adult services and support for people during transition to adulthood.
- To strengthen our role in supporting service users to identify and meet individual goals.
- To help individuals and families to have access to specialist advice and support.
- To ensure safeguarding remains embedded in every aspect of service delivery.

2. Community development

- To support people with a learning disability to develop a stronger collective voice and work with other communities to achieve social change.
- To increase participation of children and adults with a learning disability in mainstream activities through providing organisations with training and support alongside direct support to individuals.

3. Service support

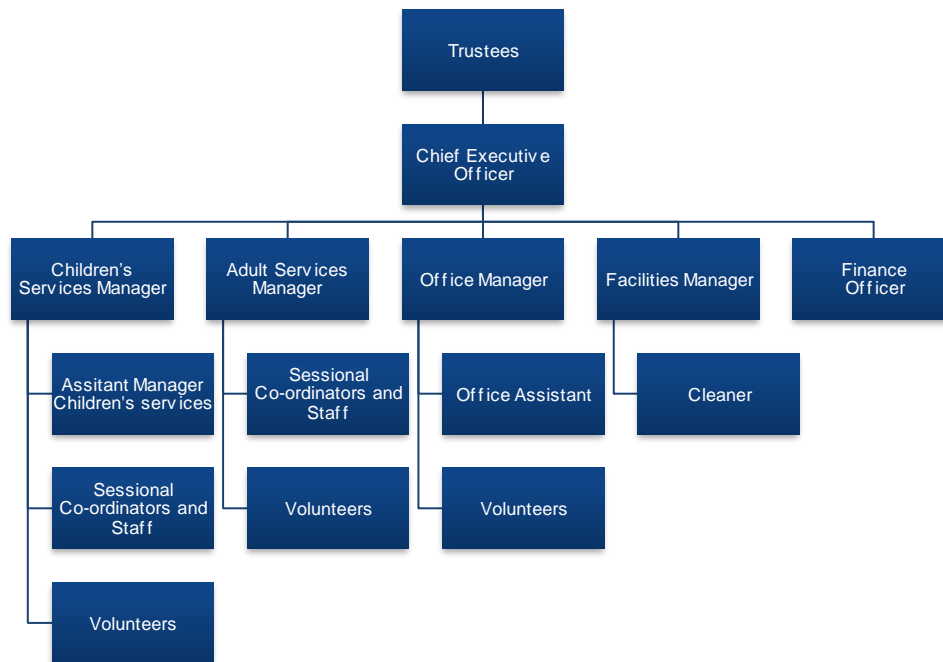
- To ensure Sutton Mencap's current and future premises and infrastructure needs are met.
- To maximise efficiencies and service improvement through further use of digital technology.
- To maintain income levels through fundraising and appropriate pricing of services.
- To ensure staffing arrangements are in place to support delivery of the plan.

These objectives are used to set an annual delivery plan for the organisation. Trustees monitor progress towards delivering the plan on a quarterly basis.

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Organisation structure

As at 31st March 2020, Sutton Mencap's organisation structure was as follows:



Procedures for setting staff salaries

The trustees have an established system for setting pay and remuneration for key management personnel which takes account of salary levels for similar local charities as well as existing posts within the organisation. Salary levels are reviewed annually and take account of comparative local and national trends as well as the financial performance of the organisation.

Sutton Mencap Charity Company

Developments, activities and achievements during the year

Coronavirus (COVID-19)

The Coronavirus crisis began in the final two weeks of the period covered by this report. This report therefore provides an overview of our activities before the crisis started.

At the time of writing, the ongoing impact of Coronavirus dominates everyone's thoughts and affects all aspects of everyday life. The landscape for charities like Sutton Mencap has changed dramatically in just a few months. All of the services and activities referred to in this report have been affected by the pandemic. Some are on hold, whilst others have been changed significantly to ensure we continue to meet needs in a safe and sustainable manner.

We have continued to support families with a learning disability throughout the crisis and at the time of writing are transforming the way we deliver our services. Despite the uncertainty, trustees have agreed a clear plan of action to ensure that the organisation continues to meet its objectives. We are in a period of unprecedented change, but we are confident that Sutton Mencap is well placed to continue its vital work in providing support to people with a learning disability and their families.

Strategic Priority 1: Service Development

Services for children and young people

Sutton Mencap continued to deliver a programme high-quality services to children and young people aged 6 to 19. These are purchased either directly by the London Borough of Sutton or via direct payments. The services, which are registered with OFSTED, consisted of groups that run after school, on Saturdays and during school holidays. The groups provided a mix of play and leisure activities including activities at our premises and trips out to make use of community facilities.

During the year, we delivered 881 hours of group sessions, with a mean attendance of around 8 children or young people per session. However we saw an overall fall of around 14% in the numbers of children accessing the services. The main reason for this is the increase in the proportion of children with high or very high support needs, up from 77% in 2018/19 to 96%. This has meant that the number of children we can safely support at any one time has reduced. This also had a negative impact on the income generated by the service, over and above a reduction in costs, which meant that the service made a loss during 2019/20. We will be working with colleagues in the local authority to address this issue and ensure sustainability in the future.

Our Phoenix Rangers youth group continued to support to young people on the autistic spectrum with lower support needs. 14 young people attended the group during the year.

We also worked closely with the local authority on plans to expand services for children and young people by developing new services which could be delivered in a local school. Although we are not currently able to put these plans into place, the work will be revisited when short breaks services are retendered.

Sutton Mencap Charity Company

Coronavirus has had a significant impact on our children's services. However we were able to work closely with a local school to maintain a small individual service, to ensure that those families most in need of support continued to receive it.

Services for adults

Sutton Mencap continued to offer a wide programme of services and activities for adults which were used by over 100 people during the year.

Services were generally group-based and funded through a mix of service user contributions, purchase by local authority and grant funding.

Our community day activities service continued to be very popular, with eight group sessions running each week. Clients attend up to 3 days per week and take part in a range of activities both at our premises and in the local community. Each group typically has around 10 clients, who between them have a range of different support needs. As at March 2020, the service had 39 clients who between them access around 430 hours of service each week. Overall, the number of service hours we provided increased by 13% on the previous year. During the year we strengthened our focus on supporting clients to set and achieve individual outcomes, through holding regular 'all about me' sessions as part of the service.

Our Breakaways services are aimed specifically at adults who live with their parents or family carers. Around 40 families made use of Breakaways, attending in-house groups on a Friday night or Saturday daytime, or coming on one of our monthly weekends away.

We continued to run a number of groups for adults which provide opportunities for social contact and learning:

- Groupies and High Fliers: These are our two evening leisure groups which meet every 2 weeks, providing an opportunity for people to socialise with friends. Both groups continued to be popular, with around 25 attending Groupies and 15 at High Fliers.
- Art Café: the group continued to meet every Tuesday morning with around 15 people attending each session.
- Zest: This group focusses on healthy living and met weekly at a local leisure centre. Each session combined a workshop on healthy living with a dance and exercise class. The group continued to be very popular and regularly had over 40 people attending.
- One-off events and activities: We continued to provide a number of one-off parties and events during the year. Regular favourites include our Halloween Disco, Christmas party and a celebration of Chinese New Year. Attendance at these events is typically between 80 and 100 people, many of whom also attend with their support workers.

As at the end of March, all our adult groups have had to close due to Coronavirus. In their place, we have set up telephone and online support services to keep in touch with clients and their families. We also hope to establish new direct support services once it is safe to do so.

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Circles of Support

The Circles of Support service was set up with funding from the James Trust in 2016. The service helped adults with a learning disability set up a regular support group to help them plan, make choices and accomplish personal goals in life. Over the lifetime of the project we were able to support around 45 individuals to set up a circle. Funding for the project ended in October 2019, and in the final months we set up a toolkit on our website to take people through the process of setting up their own circle.

This was a highly successful project and our expectation is that the Circles of Support that have been created through the project will continue for many years to come. We have also sought to integrate learning from the project across our other services, for example through the 'all about me' days on our community day activities service.

Hospital visitor grant scheme

In 2016, Sutton Mencap set up a grant scheme to fund additional care for people with a learning disability when they are in hospital. The scheme was reviewed in 2019, due to concerns about low take up, and the potential for the fund to duplicate public spending rather than be additional to it.

Following discussions with the donor, it was agreed that the funds held could be used for other purposes. As a result the scheme has now been closed and the funds will be repurposed.

Safeguarding

Sutton Mencap continues to prioritise the safety of service users and their families and safeguarding remains embedded in service delivery. We are proactive in reporting safeguarding concerns and devote significant resources to participating in multi-agency safeguarding work. During the year we conducted annual audits of safeguarding processes for both adults and children's services, the results of which were shared with the relevant local safeguarding boards. We continue to participate in training and conferences to ensure we keep abreast of this vital issue.

Strategic Priority 2: Community Development

Digital Paths to Inclusion

Sutton Mencap's strategic plan recognises both the potential for digital technology to support people with a learning disability and the risk that people will be left behind unless we support them to engage with what is a huge social change.

Our first project under this programme was Our Sutton Radio, launched in December 2018. A team of service users called the Radio Stars worked on developing a series of podcasts on issues that matter to them. This pilot project has proved very successful.

Throughout 2019 we sought funding to develop the project further. Our overall aim is to use digital technology to provide a strong platform for service users' collective voice and to bring about change in our local community. We are delighted to report that the City Bridge Trust has agreed to fund the programme for 3 years. However the start of the project has been postponed due to the Coronavirus.

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Sports Inclusion

Sutton Mencap started a major project with local partners aimed at promoting disabled people's participation in sporting activities. The project kicked off with the Sport Inclusion Event held in June 2019 as part of Learning Disability Week. The event was held at the David Weir Leisure Centre and attended by over 400 people.

As a follow up, Sutton Mencap brought together a number of local partners to form the Sutton Sports Inclusion Group. The aims of the group are to identify and promote existing sporting and physical activities, develop new activities in response to need and to challenge and overcome barriers to inclusion of disabled people in sports and physical activities.

As at March 2020, the Sports Inclusion Group was planning a number of activities for the summer, including a follow up Sports Inclusion event. However, sadly these events had to be put on hold due to Coronavirus.

Improving healthcare

We continue to participate in initiatives which will improve the experience of people with a learning disability in their use of health services. Sutton Mencap was invited to join the Sutton Learning Disability Mortality Review panel, which looks into the reasons behind the premature deaths of people with a learning disability. We also participated in the Epsom and St Helier Equalities Panel which conducts equality audits of local hospital services. We also carried out engagement work on behalf of the Improving Healthcare Together programme, to gather the views of people with a learning disability regarding changes to local hospital services.

Sutton Fairness Commission

Sutton Mencap is a member of the Fairness Commission, which brings together local public and voluntary sector bodies to explore issues around equalities.

2020 marks the 25th anniversary of the introduction of the Disability Discrimination Act and to mark this, the Fairness Commission has agreed to conduct a major review into the everyday participation of disabled people in community life. This work was planned to take place in the spring of 2020, but sadly has had to be postponed due to the Coronavirus.

Networking and representation

Sutton Mencap continued to participate in a number of local partnerships where this furthers the organisation's aims and strategic priorities. These include partnership boards with local public sector bodies and voluntary sector-led networks.

We are also affiliated to the Royal Mencap Society and work with them to strengthen links between local and national strategies through our membership of the Mencap Me20 network and the Your Network online forum.

Strategic Priority 3: Service Support

Premises and infrastructure

Sutton Mencap's current lease on its premises is due to end in December 2022. Trustees began work on setting out our future premises needs at their away day in September 2019. These plans will be discussed with the local authority over the coming months.

Sutton Mencap Charity Company

Maximise efficiencies through the use of digital technology

Sutton Mencap completed significant improvements to its ICT infrastructure during the year, with an upgrade to the computer system, improved internet access, a move to cloud-based computing and a replacement telephone system. These improvements were completed just before the COVID-19 lockdown and have proved to be invaluable in keeping the organisation functioning during this extended period of office closure.

We also completed our Unlocking Insights project with Pilotlight. This project provided us with short-term support from senior executives within Barclays, who helped us to develop a range of improvements to our booking, invoicing and payment systems.

Maintain income levels through fundraising

We carried out a number of fundraising activities during the year, including our annual Quiz Night, Gardeners' Question Time and Christmas events. In addition, we organised a successful Firewalk event, which raised nearly £5,000. We are very grateful to the supporters, volunteers and staff who help to make these events so successful.

Supporting Staff and volunteers

Staff training continues to play an important role, with nearly 1,000 hours of training and supervision delivered during the year, up from 700 hours in the previous year. Courses during the year included Safeguarding, Health and Safety, Learning Disability and Autism awareness, Administration of Medication, Epilepsy awareness, First Aid, Moving and Handling, Person-centred care, Mental Capacity Act, Behaviour management/ Team Teach and MiDAS minibus driver training. We also trained two staff in Mental Health First Aid, a programme which enables us to offer greater support to staff and volunteers around Mental Health and Wellbeing issues.

Our core staff team was restructured during the year, with the Office Manager post taking on the role of Community Fundraising, and the creation of a new post of Facilities Manager with a specific remit of looking after the building. This has proved to be a great success, improving capacity in both areas without increasing costs.

Volunteers continue to play a significant role at Sutton Mencap, helping with service delivery, assisting in administrative and office tasks and carrying out fundraising activities. This is in addition to the considerable volunteer input of trustees in governing the charity. Many people volunteer with us on a regular basis, whilst others may come for just a few weeks, or to support a particular one-off activity. Together we estimate that they contributed around 1,700 hours of support to the organisation during 2019/20 and we are very grateful to them.

Future plans

The coming year will present significant challenges to both the organisation and our service users and carers. At the time of writing we are reorganising our services to enable us to support people in a safe manner. In particular, we are planning to move towards providing services on an individual basis, rather than in groups and expect this to be the norm for some time to come.

Sutton Mencap Charity Company

Financial Review

Our income in total for the year ended 31 March 2020 was largely in line with last year and at £763,774 was just £13,556 lower. Total expenditure was up by £24,133 on 2019 and was £766,773 in total for the year which ended on 31 March 2020.

This resulted in a small deficit of £2,999 which was cushioned by the release of the Hospital Visiting reserve being no longer required. The amount was £26,500 and was released following agreement with the donor. Our underlying deficit was £29,499 for 2020.

Donations and legacies were up on 2019 and together with other trading activities were higher by £8,000 mainly coming from fund raising activities. Investment income remains flat reflecting the continued low interest rates.

The large three-year grant from the James Trust totalling £47,000 per year came to an end in 2019. Excluding this item, grants and fees received were still down year on year by around £3,000.

Income from Children and Young People's (CYP) activities was £303,107 for the year but £29,000 lower than the 2019 totals. This shortfall has arisen from a reduced number of children being referred by Sutton Council. Costs associated with this sector were £209,107 and resulted in a contribution towards overheads of £94,000. This was £28,000 lower than last year's contribution.

Significant increase in the expansion of our Adult Services resulted in income rising by 17% year on year and in total was £392,577 for 2020. However, costs rose at a higher rate and the resultant contribution of £141,605 was £18,000 lower than that earned in 2019.

Overheads and core costs were £24,170 lower in 2020 than the previous year. This saving came mainly from staff costs and general office services associated with the running costs of Stanley Park Road as we continue to monitor and control all expenditure.

Capital expenditure for the year was £26,027. £15,228 was spent on new computer equipment, £4,403 on a changing bed and £6,396 on improvements to the conservatory and connected areas, including new flooring. The latter was funded by the Daphne Wakelin legacy and the bed from a grant received for the purpose.

We have successfully managed a substantial reduction of debtors by £27,000 and at 31 March they stood at £79,255. This is still at an unacceptable level and we continue to put pressure on the Sutton Council to meet their obligations for prompt payments. The risk of bad debts remains low.

Cash is invested in short and medium term bank deposits. The year started with £208,761 in the various bank accounts and ended at £166,665 which is a net outflow of £42,096. This reflects the underlying deficit for the year ended 31 March 2020 and the capital expenditure spent from non-sponsored funds. The Accounting Standard requires the production of a Cash flow Statement and this has been included in the annual report.

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The Balance Sheet reflects the Deficit for the year in total. Funds are at a similar level to last year and continue to provide a confidence to our clients, staff and trustees that we will be able continue to provide services, we trust, for many years to come. Suffice to say under this heading, Sutton Mencap's finances are currently in good shape, and we must continue to strive to meet 2019 levels.

Reserves policy

Sutton Mencap requires an appropriate level of reserves to enable it to achieve the following objectives:

- Primarily, to ensure that Sutton Mencap is able to survive unexpected set-backs, including short term funding issues, and problems arising from internal or external causes.
- To provide the option of developing new services or expand current ones in line with the changing needs of the community.

Trustees consider it prudent for Sutton Mencap to hold a level of reserves to meet its primary objective equivalent to 3 months' average expenditure, excluding fixed-term, grant-funded activities. Trustees have also set a target of 6 months expenditure to enable them meet the second objective of developing or expanding services.

Public benefit

Charity law requires that the Board of Trustees pay due regard to the public benefit guidance published by the Charity Commission and have a duty to achieve the purposes of the charitable company. In setting the charity's objectives, planning its activities and reviewing all proposed activities, the Trustees have given careful consideration to the Charity Commission's general guidance on public benefit. The Trustees review and approve the annual budget and periodically review the financial performance and reports of the company to ensure that it is operating in a manner consistent with achieving its purposes. In addition the Trustees are of the opinion that the policies and procedures in place are sufficiently robust to ensure that the company achieves its purpose.

Sutton Mencap Charity Company

Responsibilities of the Trustee Board

The trustees are also directors of Sutton Mencap for the purposes of company law are responsible for preparing the Trustees Annual Report and Financial Statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

Company law requires that the Trustees prepare financial statements for each financial year, which give a true and fair view of the state of affairs of the charitable company as at the balance sheet date and of its incoming resources and application of resources, including income and expenditure, for that period. In preparing those financial statements the Board of Trustees is required to:

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charities SORP 2015 (FRS102);
- 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 Board of Trustees is 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.

Approved by the Trustees and signed on their behalf by:

_____ Date

_____ Date

Sutton Mencap Charity Company

Independent Examiner's Report to the Trustees of Sutton Mencap Charity Company

I report to the charity trustees on my examination of the accounts of the company for the year ended 31st March 2020 which are set out on pages 17 to 27.

Responsibilities and basis of report

As the charity trustees of the company (and also its directors for the purposes of company law) you are responsible for the preparation of the accounts in accordance with the requirements of the Companies Act 2006 ('the 2006 Act').

Having satisfied myself that the accounts of the company are not required to be audited under Part 16 of the 2006 Act and are eligible for independent examination, I report in respect of my examination of your company's accounts as carried out under section 145 of the Charities Act 2011 ('the 2011 Act'). In carrying out my examination I have followed the Directions given by the Charity Commission under section 145(5)(b) of the 2011 Act.

Independent examiner's statement

Since the company's gross income exceeded £250,000 your examiner must be a member of a body listed in section 145 of the 2011 Act. I confirm that I am qualified to undertake the examination because I am a member of Institute of Chartered Accountants in England and Wales, which is one of the listed bodies.

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

1. accounting records were not kept in respect of the company as required by section 386 of the 2006 Act; or
2. the accounts do not accord with those records; or
3. the accounts do not comply with the accounting requirements of section 396 of the 2006 Act other than any requirement that the accounts give a 'true and fair view' which is not a matter considered as part of an independent examination; or
4. the accounts have not been prepared in accordance with the methods and principles of the Statement of Recommended Practice for accounting and reporting by charities applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102).

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

.....
K C Fisher FCA
c/o Myrus Smith
Chartered Accountants
Norman House, 8 Burnell Road,
Sutton, Surrey. SM1 4BW

Date:

Sutton Mencap Charity Company

Statement of Financial Activities and Income & Expenditure Report For the year to 31 March 2020

	Note	Restricted Funds £	Unrestricted Funds £	2020 Total £	2019 Total £
<u>Income and endowments</u>					
Donations and legacies	3	-	35,286	35,286	30,121
Other trading activities	4	1,466	17,847	19,313	16,946
Investment income	5	-	1,731	1,731	1,116
Income from charitable activities					
Grants	6	11,760	-	11,760	61,575
Fees from services for children and young people		-	303,107	303,107	332,765
Fees from services for adults		-	392,577	392,577	334,807
<u>Total income and endowments</u>		13,226	750,548	763,774	777,330
<u>Expenditure</u>					
Expenditure on raising funds		-	24,732	24,732	20,611
Expenditure on charitable activities	7	30,533	711,508	742,041	722,029
<u>Total expenditure</u>		30,533	736,240	766,773	742,640
Net income/ (expenditure)	9	(17,307)	14,308	(2,999)	34,690
Transfers between funds	16	2,963	(2,963)	-	-
Net movement in funds		(14,344)	11,345	(2,999)	34,690
<u>Reconciliation of funds</u>					
Total funds brought forward		30,063	185,759	215,822	181,132
Total funds carried forward		15,719	197,104	212,823	215,822

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

All incoming resources and resources expended derive from continuing activities.

Sutton Mencap Charity Company

Balance Sheet at 31 March 2020 Company Registration Number 03915936

	Note	2020 £	2019 £
Fixed Assets			
Tangible Fixed Assets	12	<u>33,952</u>	<u>17,023</u>
Current Assets			
Debtors	13	87,437	111,296
Investments		85,000	85,000
Cash at Bank and in hand		<u>81,665</u>	<u>123,761</u>
		254,102	320,057
Liabilities:			
Creditors	14	75,231	121,258
Net Current Assets		178,871	198,799
Total Assets less Current Liabilities		<u>212,823</u>	<u>215,822</u>
Funds			
Unrestricted Fund	16	184,104	172,759
Designated Fund	16	13,000	13,000
Restricted Funds	16	15,719	30,063
		<u>212,823</u>	<u>215,822</u>

For the year ended 31 March 2020 the company was entitled to exemption under section 477 of the Companies Act 2006 relating to small companies.

No members have required the company to obtain an audit of its accounts for the year in question in accordance with section 476 of the Companies Act 2006.

The directors acknowledge their responsibility for complying with the requirements of the Act with respect to accounting records and for the preparation of the accounts.

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

Approved by the Trustees on

Signed on behalf of the Trustees

Date

Date

Sutton Mencap Charity Company

Statement of cash flows For the year to 31 March 2020

	Note	Total funds March 2020 £	Total funds March 2019 £
Net Cash provided by operating activities	19	<u>(17,800)</u>	<u>19,196</u>
Cash flows from investing activities			
Interest income		1,731	1,116
Purchase of tangible fixed assets		(26,027)	-
Net cash (used in)/ provided by investing activities		<u>(24,296)</u>	<u>1,116</u>
Change in cash and cash equivalents		(42,096)	20,312
Cash and cash equivalents brought forward		123,761	103,449
Cash and cash equivalents carried forward		<u>81,665</u>	<u>123,761</u>
Analysis of cash and cash equivalents			
Cash at bank and in hand		<u>81,665</u>	<u>123,761</u>

Sutton Mencap Charity Company

Notes to the financial statements for the year ended 31 March 2020

1) Accounting Policies

Basis of preparation and assessment of going concern

The charity constitutes a public benefit entity as defined by FRS 102. The financial statements have been prepared in accordance with Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland issued in October 2019, the Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland (FRS 102), the Charities Act 2011, the Companies Act 2006 and UK Generally Accepted Accounting Practice.

The financial statements are prepared on a going concern basis under the historical cost convention. The financial statements are presented in sterling which is the functional currency of the charity.

The significant accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all years presented unless otherwise stated.

The trustees consider that there are no material uncertainties about the Charity's ability to continue as a going concern.

Income recognition

Items of income are recognised in the financial statements when all of the following criteria are met:

- the charity has entitlement to the funds;
- any performance conditions have been met or are fully within the control of the charity;
- there is sufficient certainty that receipt of the income is considered probable; and
- the amount can be measured reliably.

Expenditure recognition

Expenditure is recognised once there is a legal or constructive obligation to make payment to a third party, it is probable that settlement will be required and the amount can be measured reliably. Expenditure is classified under the following headings:

- Costs of raising funds which comprises those costs associated with attracting general donations.
- Expenditure on charitable activities which comprises the costs of running various activities and services for the charity's beneficiaries.

Expenditure includes those costs of a direct nature which can be allocated to specific activity. It also includes indirect costs, including governance costs that do not relate to a specific activity but are necessary to support them. Support costs are apportioned to each activity on the basis of the number our hours of service provided and staff time.

Fund accounting

Unrestricted general funds are those which are freely available for the use in furtherance of the objects of the charity and which have not been designated for specific purposes.

Designated funds are unrestricted funds set aside by the trustees for specific purposes.

Sutton Mencap Charity Company

Notes to the financial statements for the year ended 31 March 2020 (continued)

1) Accounting Policies (continued)

Restricted funds are funds which can only be used in accordance with specific restrictions imposed by the donor or which have been raised for a particular purpose.

Depreciation

Depreciation is provided at rates calculated to write off the cost of fixed assets, less their estimated residual value, over their expected useful lives as per note 12.

Pension scheme

The charity operates a defined contribution pension scheme. Contributions payable to the scheme are charged to the Statement of Financial Activities in the period to which they relate.

2) Legal status of the charity

The charity is a company limited by guarantee and has no share capital. The liability of each member in the event of winding-up is limited to £1.

3) Donations and Legacies

	Restricted	Unrestricted	2020 Total	2019 Total
	£	£	£	£
Donations	-	35,286	35,286	18,013
Legacies	-	-	-	12,108
	-	35,286	35,286	30,121

All of the £30,121 recognised in 2019 related to unrestricted funds.

4) Other trading activities

	Restricted	Unrestricted	2020 Total	2019 Total
	£	£	£	£
Rent received	-	4,620	4,620	4,980
Fundraising events	1,466	12,309	13,775	10,972
Fees and earned income	-	918	918	994
	1,466	17,847	19,313	16,946

All of the £16,946 recognised in 2019 related to unrestricted funds.

5) Investment income

	Restricted	Unrestricted	2020 Total	2019 Total
	£	£	£	£
Interest received	-	1,731	1,731	1,116
	-	1,731	1,731	1,116

All of the £1,116 recognised in 2019 related to unrestricted funds.

Sutton Mencap Charity Company

Notes to the financial statements for the year ended 31 March 2020 (continued)

6) Grants received

	Restricted	Unrestricted	2020 Total	2019 Total
D M Thomas Foundation	4,403	-	4,403	-
Gary Kesner Trust	3,000	-	3,000	3,000
Sutton Community Fund - Services	1,857	-	1,857	1,857
ACT Foundation	1,500	-	1,500	1,500
Royal Mencap Society	500	-	500	-
Community Action Sutton	500	-	500	-
The James Trust	-	-	-	46,668
Bailly Thomas Charitable Fund	-	-	-	3,907
The Morrisons Foundation	-	-	-	2,643
Toyota Charitable Trust	-	-	-	1,800
Volunteer Centre Sutton	-	-	-	200
	11,760	-	11,760	61,575

All of the £61,575 recognised in 2019 related to restricted funds.

7) Charitable activities

	Restricted	Unrestricted	2020 Total	2019 Total
	£	£	£	£
Staff costs (excluding fundraising and governance)	13,052	540,624	553,676	540,861
Transport costs	-	6,609	6,609	6,380
Equipment costs	257	4,124	4,381	12,975
Training costs	-	5,898	5,898	2,773
Depreciation	2,855	6,243	9,098	4,831
Governance costs	-	8,654	8,654	8,296
Other costs	7,851	145,874	153,725	145,913
Support costs	6,518	(6,518)	-	-
	30,533	711,508	742,041	722,029

Of the £722,029 recognised in 2019, £64,593 related to restricted funds.

Sutton Mencap Charity Company

Notes to the financial statements for the year ended 31 March 2020 (continued)

8) Staff Costs

	2020	2019
	£	£
Wages & Salaries	533,522	525,495
Employer's National Insurance	33,382	29,757
Staff Pension Costs	15,193	12,797
Holiday pay accrual	701	(1,299)
Employment allowance	(3,000)	(3,000)
	579,798	563,750

Total employee benefits for key management personnel amounted to £132,784 (2019: £134,696)

No employee earned £60,000 per annum or more.

No trustee received remuneration during the year.

The average number of full-time equivalent employees were:	2020	2019
Chief Executive Officer	1	1
Administration and finance	2	2
Children and young people's services	6.5	9
Adult services	8.5	6
Circles of Support	0.2	0.6

9) Net income/ expenditure for the year

This is stated after charging

	2020	2019
	£	£
Depreciation	9,098	4,831
Independent examination fee	2,720	2,760
	11,818	7,591

10) Trustees Emoluments & Expenses

No Trustees received emoluments or expenses during the year. Training course and trustee event expenses amounting to £254 (2019: £157) were paid on behalf of 10 trustees.

11) Taxation

The charitable company is exempt from corporation tax on its charitable activities

Sutton Mencap Charity Company

Notes to the financial statements for the year ended 31 March 2020 (continued)

12) Tangible fixed assets

	Leasehold Property	Furniture Fittings Fixtures	Office Equipment	Motor Vehicle	Garden	Total
	£	£	£	£	£	£
Cost						
As at 1 April 2019	469,699	37,744	16,615	22,500	14,484	561,041
Additions	-	10,799	15,228	-	-	26,027
Disposals	-	-	(16,615)	-	-	(16,615)
As at 31 March 2020	469,699	48,543	15,228	22,500	14,484	570,453
Depreciation						
At 1 April 2019	458,613	34,013	16,615	20,295	14,481	544,017
Charge for the year	3,163	2,908	2,476	551	-	9,098
Eliminated on disposals	-	-	(16,615)	-	-	(16,615)
At 31 March 2020	461,776	36,921	2,476	20,846	14,481	536,500
Net Book Value						
At 31 March 2020	7,923	11,623	12,752	1,654	-	33,952
At 31 March 2019	11,086	3,731	-	2,206	-	17,023
Depreciation rates	15 years straight line Lease period	25% reducing balance	25% reducing balance	25% reducing balance	10 years straight line	

13) Debtors

	2020	2019
	£	£
Prepayments	11,182	8,032
Debtors	79,255	106,264
Less: provision for bad debts	(3,000)	(3,000)
	87,437	111,296

Sutton Mencap Charity Company

Notes to the financial statements for the year ended 31 March 2020 (continued)

14) Creditors - Amounts falling due within one year

	2019	2018
	£	£
Accruals	6,308	40,991
Holiday pay accrual	15,169	12,159
Deferred income	14,320	41,492
Creditors	2,576	14,051
Payroll creditors	36,858	12,565
	75,231	121,258

15) Obligations under lease

At the 31 March 2020 the charity was committed to making the following lease payments under non-cancellable leases

	Photocopier	Franking Machine	Land and Buildings	Photocopier	Franking Machine	Land and Buildings
	2020	2020	2020	2019	2019	2019
	£	£	£	£	£	£
Within one year	1,781	683	20,000	1,781	615	20,000
Between one and five years	1,187	1,766	35,000	2,968	2,205	55,000
Total	2,968	2,449	55,000	4,749	2,820	75,000

The trustees of Sutton Mencap have entered into a lease of 8 Stanley Park Road for 25 years from 25 December 1997 at the current rental of £20,000 per annum. Rental is funded via a payment from the London Borough of Sutton.

16) Movement in funds

	Balance as at 1.4.19	Income	Expenditure	Transfers	Balance as at 31.3.20
	£	£	£	£	£
Unrestricted funds					
General fund	172,759	750,548	(736,240)	(2,963)	184,104
Redundancy fund	13,000	-	-	-	13,000
Total unrestricted funds	185,759	750,548	(736,240)	(2,963)	197,104

Sutton Mencap Charity Company

Notes to the financial statements for the year ended 31 March 2020 (continued)

16) Movement in funds (continued)

	Balance as at 1.4.19	Income	Expenditure	Transfers	Balance as at 31.3.20
Restricted funds					
The James Trust	17,467	-	(17,467)	-	-
DM Thomas – Changing bed	-	4,403	(1,258)	-	3,145
Gary Kessner Trust	-	3,000	(3,000)	-	-
Sutton Community Fund - services	-	1,857	(1,857)	-	-
ACT Foundation	-	1,500	(1,500)	-	-
Minibus fund	-	1,466	-	2,963	4,429
Royal Mencap Society	-	500	(500)	-	-
Community Action Sutton	-	500	(500)	-	-
Hospital Visitor project	1,282	-	(1,282)	-	-
Wakelen Conservatory Fund	7,480	-	(1,261)	-	6,219
Sensory Room	3,834	-	(1,908)	-	1,926
Total restricted funds	30,063	13,226	(30,533)	2,963	15,719
Total funds	215,822	763,774	(766,773)	-	212,823

2019 Comparative information for the net movement in funds is as follows:

	Balance as at 1.4.18 £	Income £	Expenditure £	Transfers £	Balance as at 31.3.19 £
Unrestricted funds					
General fund	135,051	715,755	(678,047)	-	172,759
Redundancy fund	13,000	-	-	-	13,000
Total unrestricted funds	148,051	715,755	(678,047)		185,759
Restricted funds					
The James Trust	13,838	46,668	(43,039)	-	17,467
Baily Thomas Charitable Fund	-	3,907	(3,907)	-	-
Gary Kessner Trust	-	3,000	(3,000)	-	-
Morrissons Foundation	-	2,643	(2,643)	-	-
Sutton Community Fund - services	-	1,857	(1,857)	-	-
Toyota Charitable Trust	-	1,800	(1,800)	-	-
ACT Foundation	-	1,500	(1,500)	-	-
Volunteer Centre Sutton	-	200	(200)	-	-
Sensory Room	6,469	-	(2,635)	-	3,834
Wakelen Conservatory Fund	9,863	-	(2,383)	-	7,480

Sutton Mencap Charity Company

Notes to the financial statements for the year ended 31 March 2020 (continued)

16) Movement in funds (continued)

Restricted funds (continued)

City Bridge Trust	1,629	-	(1,629)	-	-
Hospital Visitor project	1,282	-	-	-	1,282
Total restricted funds	33,081	61,575	(64,593)	-	30,063
Total funds	181,132	777,330	(742,640)	-	215,822

17) Analysis of net assets between funds

	Restricted funds	Unrestricted funds	Total funds
	£	£	£
Tangible fixed assets	7,937	26,015	33,952
Net current assets	7,782	171,089	178,871
	15,719	197,104	212,823

Funds are used for the provision of services and for works to the property that is used in the provision of these services.

2019 Comparative information for the net movement in funds is as follows:

	Restricted funds	Unrestricted funds	Total funds
	£	£	£
Tangible fixed assets	6,389	10,634	17,023
Net current assets	23,674	175,125	198,799
	30,063	185,759	215,822

18) Pension commitments

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 cost charge represents contributions payable by the company to the fund and amounted to £15,193. (2019: £12,797).

At 31 March 2020 £2,252 of contributions were payable and included in creditors. (2019: £3,925)

19) Reconciliation of net movement in funds to net cash flow from operating activities

	2020	2019
	£	£
Net movement in funds	(2,999)	34,690
Add back depreciation charge	9,098	4,831
Deduct interest income shown in investing activities	(1,731)	(1,116)
Decrease/ (increase) in debtors	23,859	(45,476)
(Decrease)/ increase in creditors	(46,027)	26,267
Net cash provided by operating activities	(17,800)	19,196