



**Sutton Mencap Charity Company**

**Annual Report and Financial Statements  
For the year ended 31 March 2015**

**Charity number: 1080514**

**Company number: 03915936**

# **Sutton Mencap Charity Company**

## **Annual Report and Financial Statements**

**Year ended 31 March 2015**

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# **Sutton Mencap Charity Company**

## **Company information**

### **Trustee Board – Executive Committee**

Chairman:	Mavis Peart OBE
Vice-Chairman:	Clare Fionda
Treasurer:	Paul Solomon
Trustee	Titilayo Dairo
Trustee:	Kevin Dillon
Trustee:	Ross Feeney (from January 2015)
Trustee:	Michele Humphreys
Trustee:	Alison Lepetit
Trustee:	Edwina Morris
Trustee:	Michelle Perrett
Trustee:	David Schad

Company Secretary: David Hobday

Members of the Executive Committee are the directors of the company.

### **Senior Management Team**

Director and Company Secretary	David Hobday
Children's Services and Inclusion Manager	Laura Emmerson
Transition and Community Services Manager	Olivia Griffin

### **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  
Kings Hill  
West Mailing  
Kent  
ME19 4TA

#### **Solicitors:**

WH Mathews & Co  
11 & 13 Grove Road  
Sutton  
SM1 1DS

#### **Independent Examiner**

M.A Tobin  
17 Wilbury Avenue  
Cheam  
SM2 7DU

# **Sutton Mencap Charity Company**

## **Report of the Trustees**

**Year ended 31 March 2015**

### **Structure, Governance and Management**

#### **Introduction**

The trustees present their annual report and financial statements of the charity for the year ended 31 March 2015. The financial statements have been prepared in accordance with the accounting policies set out in note 1 to the accounts and comply with the charity's trust deed, the Charities Act 2011 and Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with Financial Reporting Standard applicable in the UK and Republic of Ireland published on 16 July 2014.

#### **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 Executive Committee acts as the Trustee Board for the Company and 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 Executive Committee 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 Executive Committee 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 then interviewed by the Chair and another trustee.

#### **Trustee induction and training**

New trustees participate in an induction programme led by the Director. They are invited to meet with key staff of the organisation, visit a range of groups and 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.

#### **Organisational structure**

The Executive Committee governs the charity and meets monthly, apart from in August, October and December. The Executive Committee appoints a Director to manage the day-to-day operations of the charity. The Director attends Executive Committee meetings and advises and reports to the Trustees.

# **Sutton Mencap Charity Company**

## **Risk management and control**

The Executive Committee has implemented a formal risk management strategy which enables them 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.

Potential risks to funding reflect proposed changes in local and national policy and the pressures on public spending, including changes in public sector contracting, from block contracts to individual purchasing arrangements. The charity seeks to ensure services are widely publicised amongst potential service users and referral agencies. The charity has also developed a comprehensive fundraising strategy which seeks to maximise income from grants and community activities. Internal financial control risks are minimised through appropriate financial procedures which were reviewed and updated in 2014 and include ensuring all transactions are correctly authorised and recorded in the accounts. Service delivery is monitored using appropriate quality assurance mechanisms and, in the case of children's services, additional external inspection and monitoring. The Charity continues to have high regard for safeguarding, and maintains appropriate procedures in relation to the recruitment, induction, supervision and training of trustees, staff and volunteers.

## **Objectives**

The Trustees have referred to the guidance in the Charity Commission's general guidance on public benefit and complied with section 17(5) of the 2011 Charities Act when reviewing the charity's aims and objectives and in planning its future activities. In particular the Trustees consider how planned activities will contribute to the aims and objectives they have set, specifically taking into account the perceived needs in the London Borough of Sutton and the services being supported and funded by individuals, grant-making bodies and the local authority.

## **Vision and strategic priorities**

Sutton Mencap believes 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 trustees reviewed strategic priorities in 2014 and developed a new 3 year strategic plan which began in January 2015. This plan identifies the following business objectives for the organisation:

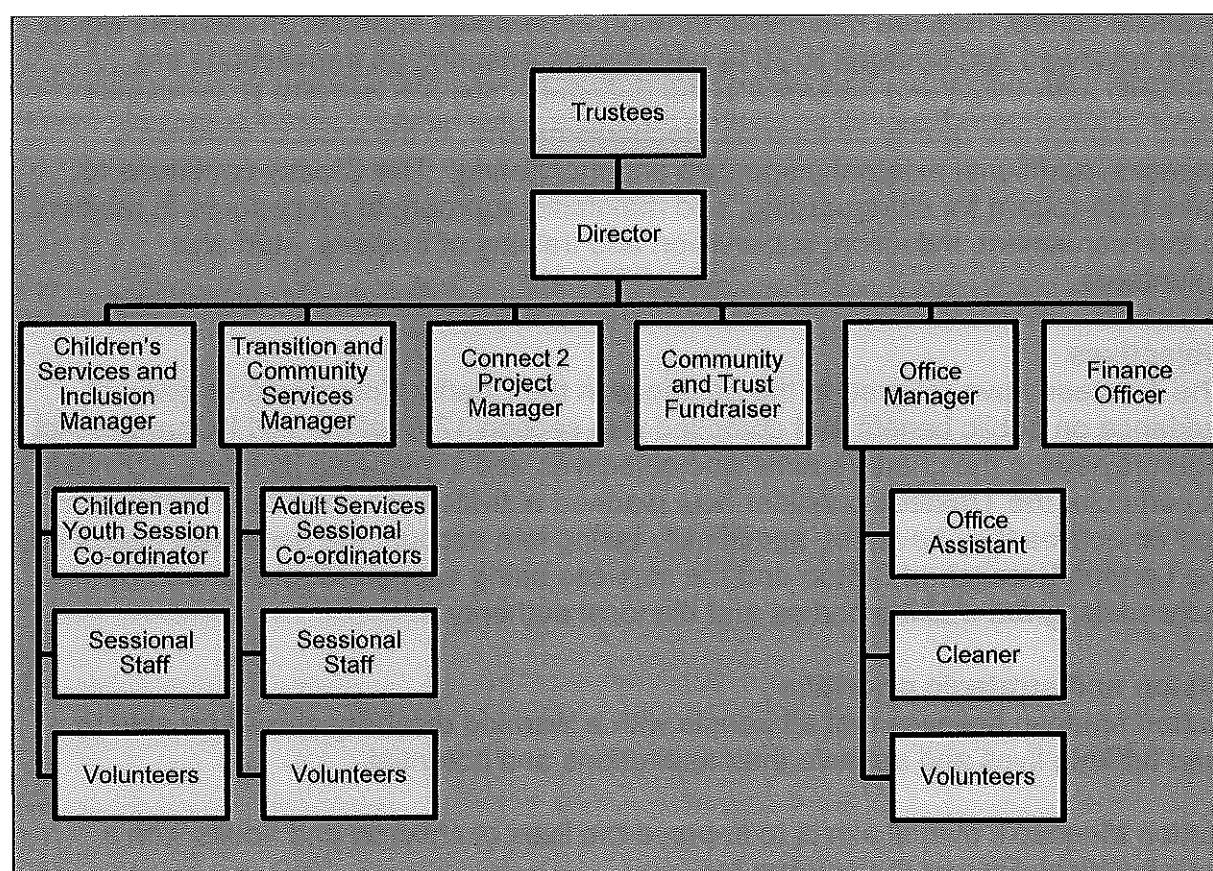
- Ensure the continued delivery of high quality services for children, young people and adults and their carers.
- Develop new services which will enable us to meet the needs of more people.
- Implement our fundraising strategy to ensure we have sufficient resources to carry out our work.

## Sutton Mencap Charity Company

- Maximise the use of new technology by service users and carers.
- Provide our staff with opportunities for greater involvement and strengthen communication across the staff team.
- Maximise the use of our ICT equipment in management and administration and setting and measuring outcomes.
- Ensure our premises remain suitable for delivering high quality services.
- Ensure we play a key role in developments which have an impact on people with a learning disability and their carers in Sutton.
- Maintain tight budget controls and ensure the appropriate use of resources.

These strategic priorities are used to set the annual work programme for the organisation.

### Staffing structure



# **Sutton Mencap Charity Company**

## **Developments, activities and achievements**

### **Services for children and young people**

Sutton Mencap continued to deliver a major programme of group-based services to children and young people with a learning disability during 2014/15. These services consisted of Saturday and holiday schemes and after school clubs, including our Phoenix Rangers youth service for young people with Asperger's. During the year, these services were attended by 75 children and young people, nearly all of whom were referred by the local authority.

A new local authority framework agreement began in October 2014 which changed the arrangements the council uses for purchasing services for children and young people. Previously, our services were paid for via a block contract with the council. Under the new framework agreement, we offer individual places which are purchased by the local authority, or potentially by individuals on direct payments. Parents and the local authority are able to choose which services to purchase, whether from Sutton Mencap or other providers who are part of the framework agreement.

The move to the framework has the potential to provide much greater choice for children and young people and their parents. However, it has had a significant impact on Sutton Mencap's income, as we seek to increase the number of people who use our services to ensure the costs of the services are fully met. Numbers have increased, but as at March 2015 service income remains below target. Ensuring these services reach breakeven point will be a priority for 2015/16.

We deliver our services under 3 specific outcome areas: Social integration; Complex Needs and Challenging Behaviour. In 2015 we began work with the local authority to develop a set of outcomes for each of these areas which would allow us to monitor the impact of services on those that use them. This new outcomes system is complete and will be introduced during 2015. As an organisation which prides itself on delivering high quality services, with a strong focus on outcomes, we see this as a very positive development.

We continued to prioritise staff training as an important aspect of maintaining and improving our children's services. We deliver our in-house mandatory training programme, which takes place every 6 months and is compulsory for new staff or those who haven't undertaken the programme for 3 years. We also introduced new courses covering areas such as providing creative play and interactive story-telling.

We were also able to use our third year of funding from BBC Children in Need to provide an exciting programme of outings and activities during the summer holidays. These included trips to a sensory theatre, drama therapy workshops, trampolining sessions, visits to parks, a local city farm, cinema, bowling, boccia and dance.

The year saw major national reforms in relation to children with disabilities, in particular the introduction of Education, Health and Care (EHC) plans. Working alongside Sutton Parents Forum, with funding from the Council for Disabled Children, Sutton Mencap began a new Independent Support project, working to help young people complete specific sections of their EHC plan. This project is due to continue throughout 2015/16.

# **Sutton Mencap Charity Company**

## **Services for adults**

Sutton Mencap continued to deliver a diverse programme of activities for adults, including day activities, short breaks, leisure groups and community-based activities. Approximately 190 adults with a learning disability using these services during the year. We were delighted to secure 3 year funding from Henry Smith Charity towards the management of our adult services during 2014.

### ***Community Day Activities Service***

Our community day activities service continued successfully during the year. The service runs three days per week, supporting around 10 people each day who purchase the service directly from us using their Direct Payments. Each day's activities are decided by the people who attend and can include visits to local leisure centres, the park, cinema, bowling, taking part in art and dance classes, or a range of in-house activities.

The service reached full capacity during 2014/15 and we now operate a waiting list. We are planning to expand the service so it can run 5 days a week during 2015.

### ***Breakaways respite services***

Breakaways provides a range of fun, group-based activities aimed specifically at adults with a learning disability who live with parents or unpaid carers. The service consists of alternative Friday night and Saturday day-time groups, plus around 1 weekend away each month. We currently have 43 members of our Breakaways services, who purchase places directly from Sutton Mencap using their Direct Payments.

### ***Adult social and leisure groups***

**Drama:** Our Action Replay Theatre Company put on a number of shows during the year, including a performance at the GuilFest festival in July 2014. We also organised our own Unite Festival, which brought together a number of local performing groups including Action Replay for a one day theatre festival. Action Replay finished off the year with a special show celebrating 10 years of performances.

**Dance:** We continued to provide dance sessions for adults at local leisure centres on Monday afternoons. The sessions are fun and provide opportunities for exercise. We regularly include a dance performance in our twice-yearly drama shows.

**Cookery:** Our cookery course continued throughout the year. The course is based at Wallington High School for Girls and consists of a 10 week programme attended by up to 10 people at a time. We are very grateful to the school for allowing us to continue to use their premises.

**Art Café:** Our art group continued to meet every Tuesday morning, attended by around 10 people each time. The group carries out a different art and craft activity each week based on the ideas of the people who use the service.

**Groupies and High Fliers:** Our two evening-based social groups for younger and older adults continued to be well attended with around 20 to 25 people attending. The groups offer a range of social and leisure activities.



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**Zest:** Our healthy living group holds weekly sessions each Wednesday afternoon, combining courses on healthy eating with dance-based exercise classes. The programme continues to be very popular.

**Events programme:** We organised a number of one-off parties and events during the year, with the support of the Zurich Community Trust. These included a Halloween Disco, a Christmas Party, a Masquerade Ball and a celebration for Chinese New Year. On average around 40 people attended each event.

### ***Connect 2 Friendship Project***

The Connect 2 project, which was funded through a 3 year grant from the Big Lottery Fund, had a very successful final year and greatly exceeded its targets in terms of the number of people supported. The project continued to support the development of small, themed friendship groups and deliver training and activities around the subject of friendship.

Funding for the project finished in March 2015. However we were very pleased that City Bridge Trust awarded us a new three year grant for a continuation project to start from April 2015. The new project, called Community Link, will continue to help people develop friendship groups and will have a specific focus on supporting people to participate in local activities alongside others in the community.

### **Partnership work and representation**

Sutton Mencap is an independent charity affiliated to the Royal Mencap Society. Our relationship with Royal Mencap provides us with access to Mencap networks and enables us to participate in national campaigning, in particular through Learning Disability Week. Sutton Mencap also meets quarterly with other local Mencap organisations to network and share information on good practice.

We work with a range of Sutton-based organisations and participate in a number of partnership boards where this furthers our aims and strategic priorities. Sutton Mencap was also a founder member of the Sutton Together Consortium, launched in June 2014, which aims to provide a mechanism for joint bidding and shared service delivery by voluntary sector partners.

### **Strengthening our infrastructure**

Sutton Mencap carried out a number of initiatives to strengthen the organisation and ensure our back office functions remained efficient and effective.

With funding from the Sutton Community Transformation Fund we set up our new Charitylog database during summer 2014. The database enables us to keep a far better track on attendance at services and plays a vital part in collating data for invoicing under the children's framework agreement and some adult services. It is also playing a key role in helping us develop our systems for recording outcomes.

We also began work towards the PQASSO quality assurance standard and by the end of the year had almost completed level 1. This work will continue during 2015/16, with the eventual goal of achieving level 2.

We also completed our 12 month programme with Pilotlight, a national charity which provides business support to local voluntary organisations. The involvement of Pilotlight were very helpful in the development of our new strategic plan for 2015-18.

## **Sutton Mencap Charity Company**

A grant from the Sutton Transformation Fund enabled us to set up a new programme which will introduce the use of portable technology across our services. We believe devices like tablet computers have huge potential as communication aids, sensory equipment and for providing creative activities. The grant will enable us to purchase equipment and deliver staff training to help us make the most of what we believe will be a very exciting development.

### **Volunteer involvement**

We are very grateful for the support from all our volunteers who play a major role in Sutton Mencap, helping to deliver services and assisting with administration and office tasks. We also received support from a large number of service users, carers, family members, businesses, schools and other supporters who were involved in specific challenge projects and appeals, for example carrying out improvements to our building and outdoor areas, or helping raise awareness and funds. Overall, we estimate that Sutton Mencap benefitted from approximately 2,100 hours of volunteer support during the year.

### **Future plans**

Sutton Mencap has an ambitious programme of activities for 2015/16, based around the key priorities in our new strategic plan. Overall, our aim will be to continue to provide a range of high quality services for people with a learning disability in Sutton.

Our main aim for our children and young people's services will be to ensure they have sufficient numbers of service users to cover the costs. We will also be looking to expand the activities we can offer as part of our services, and will be seeking funding to increase the number and range of outings and in-house activities we provide.

Our priority for our adult services is to maintain our current programme of activities, whilst expanding services where possible. In particular, we will be keen to expand the Community Day Activities Service. We will also be developing the new Community Link programme as a follow on from Connect 2.

### **Financial review**

The year ending 31 March 2015 was another record year for Sutton Mencap as total income increased from the previous year by £60,000 to £605,321. However expenditure increased by over nearly £80,000 resulting in a deficit for the year.

The major change for the year was the new framework contract with the London Borough of Sutton for children and young people's services which started midway through the year. This new contract moves away from our previous block contract, to the local authority purchasing individual places on our services. We require a certain level of take up to break even under these new arrangements, which by the end of the year had not been achieved.

Funding in all other areas was up on last year and up on target. In particular grants and donations to all of our activities were higher than last year by £83,000. In overall terms performance against budget was much better than planned with improved performance in all areas offset by the shortfall in children's services income.

Net outgoing resources were greater than 2014 by £18,080. (The 2014 results have been adjusted in line with the latest accounting standard FRS 102 which, inter alia, requires all charities to provide for holiday pay and for us this was £14,631).

## **Sutton Mencap Charity Company**

Costs, in particular staff costs, also increased but were in line with the additional activity created by the higher income streams. We continue to monitor costs but we have to report that overheads and governance costs are up on last year mainly due to essential repair costs and general running costs of Stanley Road. Necessary expenditure was incurred for repairs to Stanley Park Road, including £18,000 for repairs to the drains, the cost of which was fortunately covered by our insurances. Non recurring costs of £8,000 were incurred for a new database (Charitylog) and the installment of WIFI. These will benefit our administrative processes providing our staff current information on all activities. Additionally as a result of an increase in direct invoicing we have made provision for any potential bad debts. There is no indication that this will be problematic but it is a good accounting practice to make this provision.

Compared with last year Capital Expenditure was much lower, and was restricted to new carpets and essential kitchen equipment.

Cash is invested in short and medium term bank cash deposits. The year started with £214,361 in the various bank accounts and ended at £176,341 resulting in a net outflow of £38,000. The latest Accounting Standard requires the production of a Cash flow Statement and this has been included in the annual report.

The Balance Sheet remains healthy despite a reduction funds providing a confidence to our clients, staff and trustees that we will be able to continue to provide services, we trust for many years to come. Suffice to say under this heading that Sutton Mencap's finances are currently in good shape but we do need to recover from this decline back to 2014 levels.

### **Looking ahead**

The budget for the year to 31 March 2016 shows a break even situation and there is considerable pressure on all departments to meet this target. Our continued focus is on the situation in relation to services for children and young people and every endeavor is being made to increase the take up of children and young people who can benefit from the services we can offer. In the meantime we need to make surpluses in other areas to support a potential shortfall.

### **Reserves Policy**

Trustees reviewed the reserves policy in June 2014. The policy aims to ensure an appropriate level of reserves to achieve the following objectives:

- To provide the option of developing new services or expand current ones in line with the changing needs of the community.
- To ensure that delays in the receipt of expected income do not interrupt services or cause serious financial difficulty for the charity.
- To ensure that Sutton Mencap is able to survive unexpected set-backs and problems arising from internal or external causes.

Trustees agreed to increase the target level of Net Current Assets required to 6 months operating costs, which for 2015/2016 would be around £300,000. Trustees recognise that the current level of reserves does not meet this and will be seeking to build up reserves over the coming years.

# Sutton Mencap Charity Company

## Responsibilities of the Executive Committee

The trustees who are also the Executive Committee and who 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 generally accepted accounting practice (UKGAAP).

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;
- 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 there is a reasonable expectation that the charity will be unable to continue in operation.

The Board of Trustees is responsible for keeping proper accounting records. These must 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 company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

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.

## Statement as to disclosure of information to independent examiner

There is no relevant information of which the company's independent examiner is unaware and the Trustees have taken all steps that they ought to have taken to make themselves aware of any relevant information and to establish that the independent examiner is aware of that information.

This report has been prepared in accordance with the Statement of Recommended Practice: Accounting and Reporting by Charities (issued in March 2005) in accordance with the special provisions of 419(2) of the 2006 Companies Act relating to small entities.

Approved by the Trustees and signed on their behalf by:-

Chairman *M. Pearson*  
Trustee *R. L. Smith*

Date *24/11/15*  
Date *24/11/2015*

# **Sutton Mencap Charity Company**

## **INDEPENDENT EXAMINER'S REPORT TO THE TRUSTEES OF SUTTON MENCAP CHARITABLE COMPANY**

I report on the accounts of Sutton Mencap Charity Company for the year ended 31 March 2015, which are set out on pages 15 to 26.

### **Respective responsibilities of trustees and examiner**

The trustees (who are also the directors of the company for the purposes of company law) are responsible for the preparation of the accounts. The trustees consider that an audit is not required for this year under section 144(2) of the Charities Act 2011 (the 2011 Act) and that an independent examination is needed. The charity's gross income exceeded £250,000 and I am qualified to undertake the examination by being a qualified member of ICAEW.

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

- Examine the accounts under section 145 of the 2011 Act;
- To follow the procedures laid down in the general Directions given by the Charity Commission under section 145(5)(b) of the 2011 Act; and
- To state whether particular matters have come to my attention.

### **Basis of independent examiner's report**

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

### **Independent examiner's statement**

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

- (1) Which gives me reasonable cause to believe that in any material respect the requirements:

- To keep accounting records in accordance with section 386 of the Companies Act 2006;
- and
- To prepare accounts which accord with accounting records, comply with the accounting requirements of section 396 of the Companies Act 2006 and with the methods and principles of the Statement of Recommended Practice: Accounting and Reporting by Charities,

have not been met; or

- (2) To which, in my opinion, attention should be drawn in order to enable a proper understanding of the accounts to be reached.

M.A.TOBIN

Chartered Accountant

17 Wilbury Avenue, Cheam, Surrey, SM2 7DU

Date 14 October 2015

# Sutton Mencap Charity Company

## Statement of Financial Activities and Income & Expenditure Report For the year to 31 March 2015

	Note	Restricted Funds £	Unrestricted Funds £	Total Funds £	2014 £
<b>Incoming Resources</b>					
<b>Incoming Resources from Generated Funds:</b>					
<b>Voluntary Income:</b>					
Donations			10,248	10,248	21,507
<b>Activities for generating funds</b>					
Other income	3		34,767	34,767	34,161
<b>Investment Income</b>	4		3,919	3,919	5,853
<b>Incoming Resources from Charitable activities</b>					
Grants	5	83,921		83,921	50,864
LB Sutton contracts	5a		243,523	243,523	268,662
Client contributions			210,588	210,588	164,320
<b>Other incoming resources</b>	5b		18,355	18,355	
<b>Total Incoming Resources</b>		<b>83,921</b>	<b>521,400</b>	<b>605,321</b>	<b>545,367</b>
<b>Resources Expended</b>					
<b>Costs of Generating Funds</b>			23,284	23,284	15,831
<b>Costs of Charitable Activities</b>	6 & 7	85,518	522,351	607,869	537,288
<b>Total Resources Expended</b>		<b>85,518</b>	<b>545,635</b>	<b>631,153</b>	<b>553,119</b>
<b>Net Incoming (Outgoing) resources before transfers</b>		<b>(1,597)</b>	<b>(24,235)</b>	<b>(25,832)</b>	<b>(7,752)</b>
<b>Fund Transfers</b>	12	<b>(36,841)</b>	<b>36,841</b>	-	-
<b>Other recognised Gains/Losses</b>					
Gains/losses on fixed assets					
<b>Net Movement in Funds</b>		<b>(38,438)</b>	<b>12,606</b>	<b>(25,832)</b>	<b>(7,752)</b>
<b>Net income/(expenditure) for the year</b>					
<b>Total funds brought forward</b>		<b>107,958</b>	<b>125,549</b>	<b>233,507</b>	<b>241,259</b>
<b>Total funds carried forward</b>		<b>69,520</b>	<b>138,155</b>	<b>207,675</b>	<b>233,507</b>

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 2015

Company Registration Number 03915936

	Note	March 2015 £	March 2014 £
<b>Fixed Assets</b>			
Tangible Fixed Assets	13	47,771	58,163
<b>Current Assets</b>			
Debtors	14	89,342	24,843
Investments		85,000	135,000
Cash at Bank and in hand		91,341	79,361
		265,683	239,204
<b>Liabilities:</b>			
Creditors	15	105,779	63,860
<b>Net Current Assets</b>		159,904	175,344
<b>Total Assets less Current Liabilities</b>		<b>207,675</b>	<b>233,507</b>
<b>Funds</b>			
Unrestricted Fund	17	125,155	112,549
Designated Fund	17	13,000	13,000
Restricted Funds	17	69,520	107,958
		<b>207,675</b>	<b>233,507</b>

For the financial year in question 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

Chair *M. Peart*

Trustee

*[Signature]*

Mavis Peart

Date *24/11/15*

Date

*24/11/2015*

# Sutton Mencap Charity Company

## Statement of cash flows For the year to 31 March 2015

	Note	Total funds March 2015 £	Total funds March 2014 £
<b>Net Cash used in operating activities</b>	19	<u>(38,925)</u>	<u>(66,320)</u>
<b>Cash flows from investing activities</b>			
Interest income		3,919	5,853
Purchase of tangible fixed assets		(3,014)	(31,728)
Return of investment funds capital		50,000	35,000
<b>Net cash provided by (used in) investing activities</b>		<u>50,905</u>	<u>9,125</u>
<b>Cash flows from financing activities</b>		<u>0</u>	<u>0</u>
<b>Increase (decrease) in cash and cash equivalents in the year</b>		11,980	(57,195)
Cash and cash equivalents at the beginning of the year		79,361	136,556
<b>Total cash and cash equivalents at the end of the year</b>		<u>91,341</u>	<u>79,361</u>



# Sutton Mencap Charity Company

## Notes to the financial statements for the year ended 31 March 2015

### 1) Accounting Policies

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

#### a) Basis of preparation

The financial statements have been prepared under the historical cost convention. 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 (FRS102) (effective 1 January 2015) - (Charities SORP (FRS102)), the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS102) and (the Companies Act 2006)/(Charities Act 2011).

#### b) Reconciliation with previous Generally Accepted Accounting Practice

In preparing the accounts, the trustees have considered whether in applying the accounting policies required by FRS102 and the Charities SORP FRS102 the restatement of comparative items was required.

At the date of transition in applying the requirement to recognise liabilities arising from the employee benefits. The initial liability recognised at the date of transition was for holiday pay entitlement carried forward and for the entitlement arising in the year which was due but not taken.

#### Reconciliation of Funds

	1 April 2014
Fund balances as previously stated	(248,138)
Holiday pay accrual	(14,631)
Fund balances as restated	£(233,507)

#### c) Fund accounting

Restricted Funds are those received which have been earmarked for a special purpose by the donor.

Unrestricted funds are available for use at the discretion of the trustees in furtherance of the general objectives of the charity.

#### d) Incoming resources

All incoming resources are included in the statement of financial activities when the charity is entitled to the income and the amount can be quantified with reasonable accuracy. The following specific policies are applied to particular categories of income.

Voluntary income is received by way of donations, gifts and members subscriptions and is included in full in the Statement of Financial Activities when received.

Members' subscriptions and donations are accounted for on a receivable basis.

Activities for generating funds consist of rent receivable, photocopy usage, and other fund raising activities are all accounted for on a receivable basis.

Interest received on bank and building society deposits are accounted for on a receivable basis.

# Sutton Mencap Charity Company

## Notes to the financial statements for the year ended 31 March 2015 (continued)

Incoming resources from charitable activities consists of revenue grants that are credited to the statement of financial activities when received or receivable whichever is earlier. Where unconditional entitlement to grants receivable is dependent upon fulfilment of conditions within the charity's control, the incoming resources are recognised when there is sufficient evidence that conditions will be met. Where there is uncertainty as to whether the charity can meet such conditions the incoming resource is deferred. Incoming resources from the charitable activities also consists of contracts and service level agreements and client contribution to the activities and are included when receivable.

### **e) Resources expended**

Expenditure is recognised on an accrual basis as soon as there is a legal or constructive obligation committing the charity to that expenditure.

Cost of generating funds comprises those costs associated with attracting future income.

Charitable expenditure comprises those costs incurred by the charity in the delivery of its activities and services for its beneficiaries. It includes both costs that can be allocated directly to such activities and those costs of an indirect nature necessary to support them.

Governance costs include those costs associated with meeting the constitutional and statutory requirements of the Charity and include the independent examination fees and costs linked to the strategic management of the charity.

Overheads including staff costs, accommodation costs and office running expenses have been allocated to the charitable activities of adult services and children's services in the ratio which equates to the time spent by staff in each category.

### **f) Depreciation**

Provision is made for depreciation on all tangible fixed assets at rates calculated to write off the cost, less estimated residual value of each asset over its expected useful life. For rates see note 13.

### **g) Pension Costs**

Pension contributions payable are accounted for in the period to which they relate. The Charity makes contributions to defined contribution schemes and to the Friends Provident Stakeholders Scheme. The assets of the schemes are held separately from those of the charity in independently administered funds.

### **h) Deferred Income**

Revenue Income is credited to the Statement of Financial Activities when receivable unless they relate to a specified future period in which case the relevant part is deferred and is recognised in that future period.

### **i) Recognition of liabilities**

Liabilities are recognised on an accrual basis.

### **j) Transfers between funds**

Trustees have the authority to transfer amounts out of the unrestricted fund into the restricted funds when required.

### **k) Investments & Deposits**

Surplus funds are invested in various bank and Building society deposit accounts in order to earn interest and diversify risk on investments and to protect the capital.

# Sutton Mencap Charity Company

## Notes to the financial statements for the year ended 31 March 2015 (continued)

### l) Reserves

The charity accounting policy is to maintain six months running costs in unrestricted reserves.

### m) Going Concern

The Trustees consider it appropriate for the financial statement for the year ended 31 March 2015 to be prepared on a going concern basis

### 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) Other income

	Restricted Adult	Restricted Children	Total Restricted	Unrestricted	Total Funds	2014
	£	£	£	£	£	£
Rent received				5,500	5,500	4,700
Fundraising events				25,452	25,452	28,694
Income from sale of services				1,760	1,760	750
Employment allowance				2,000	2,000	0
Minibus hire				0	0	17
Miscellaneous income				55	55	0
				<b>34,767</b>	<b>34,767</b>	<b>34,161</b>

### 4) Investment income

	Restricted Adult	Restricted Children	Total Restricted	Unrestricted	Total Funds	2014
	£	£	£	£	£	£
Interest received			0	3,919	3,919	5,853
			<b>0</b>	<b>3,919</b>	<b>3,919</b>	<b>5,853</b>

# Sutton Mencap Charity Company

Notes to the financial statements for the year ended 31 March 2015 (continued)

## 5) Grants received

	Restricted Adult	Restricted Children	General Restricted	Unrestricted	Total Funds	2014
	£	£	£	£	£	£
The Henry Smith Charity	8,200				8,200	
The Arts Council	1,964				1,964	
Tesco Charity Trust		2,000			2,000	
LBS 'Imagine' Festival	592				592	
Mrs Smith and Mount Trust	2,072				2,072	
Sutton Community Fund – Groups	4,403				4,403	
Sutton Community Fund – Database			6,982		6,982	
Big Lottery Fund – Connect 2	40,648				40,648	36,507
Sutton Community Fund – Cookery					0	808
The Goldsmiths Charity Company	2,000				2,000	
London Catalyst	4,000				4,000	
BBC Performing Arts	2,600				2,600	
The Baily Thomas Charitable Fund	2,083				2,083	
Help a Capital Child		512			512	
The Percy Bilton Charity			500		500	
Wallington High School for Girls - cookery					0	2,333
Zurich Community Trust	1,083				1,083	3,292
LBS Sports Development – Zest					0	3,748
BBC Children in Need		4,282			4,282	4,176
	<b>69,645</b>	<b>6,794</b>	<b>7,482</b>	<b>0</b>	<b>83,921</b>	<b>50,864</b>

## 5a) LB Sutton Contracts

	Restricted Adult	Restricted Children	Total Restricted	Unrestricted	Total Funds	2014
	£	£	£	£	£	£
LB Sutton Short Breaks/ framework contracts				235,161	235,161	257,334
LB Sutton Phoenix Rangers/ framework contracts				8,362	8,362	11,328
				<b>243,523</b>	<b>243,523</b>	<b>268,662</b>

## Notes to the financial statements for the year ended 31 March 2015 (continued)

### 5b) Other incoming resources

	Restricted Adult £	Restricted Children £	Total Restricted £	Unrestricted £	Total Funds £	2014 £
Income due from insurance claim				18,355	18,355	0
				<b>18,355</b>	<b>18,355</b>	<b>0</b>

### 6) Charitable activities

	Restricted Adult £	Restricted Children £	Restricted General £	Total Restricted £	Unrestricted Adult £	Unrestricted Children £	Unrestricted General £	Total Unrestricted £	Total Funds £	2014 £
<b>Charitable Activities</b>										
Staff costs	42,634	4,282		46,916	111,217	147,872	106,205	365,294	412,210	398,884
Transport costs				0	245		3,537	3,782	3,782	3,430
Equipment costs		512	7,482	7,994		1,237	5,289	6,526	14,520	4,494
Training costs				0			2,842	2,842	2,842	2,799
Depreciation		1,597		1,597			11,809	11,809	13,406	13,846
Governance costs							6,786	6,786	6,786	8,073
Other costs	16,513	2,000		18,513	31,377	9,546	94,887	135,810	154,323	105,762
Support costs	10,498			10,498	98,496	122,361	(231,355)	(10,498)	0	0
	<b>69,645</b>	<b>8,391</b>	<b>7,482</b>	<b>85,518</b>	<b>241,335</b>	<b>281,016</b>	<b>0</b>	<b>522,351</b>	<b>607,869</b>	<b>537,288</b>

### 7) Cost of charitable activities 2014

A retrospective adjustment of £14,631 has been added to the 2014 costs for holiday pay accrual. This is to comply with the requirements of the new accounting standard FRS102.

## Notes to the financial statements for the year ended 31 March 2015 (continued)

### 8) Staff costs

	2015	2014
	£	£
Wages & Salaries	398,795	370,194
Employer's National Insurance	21,618	20,986
Staff Pension Costs	11,725	10,082
Holiday pay accrual	1269	14,631
	<b>433,407</b>	<b>415,893</b>

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

No trustee received remuneration during the year.

The average number of employees were:	2015	2014
Full time equivalent – Core staff	6	6
Part time - Sessional workers	37	39
Full time equivalent – Sessional workers	18	17

Total number of sessional hours for the year were 21,706 (2014 – 19,827 hours)

### 9) Net incoming resources for the year

This is stated after charging

	2015	2014
	£	£
Depreciation	13,406	13,846
Independent examination fee (2014 audit fee)	2,250	2,800

### 10) Trustees Emoluments & Expenses

No Trustees received emoluments or expenses during the year. Training course and Trustee Event expenses amounting to £105 (2014 - nil) were paid on behalf of 4 trustees.

### 11) Taxation

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

### 12) Transfer between funds

	Restricted Adult	Restricted Children	Total Restricted	Unrestricted
	£	£	£	£
Cost of charitable activities		(36,841)	(36,841)	36,841
	0	(36,841)	(36,841)	36,841

£36,841 has been transferred from Restricted to Unrestricted Funds and charged to our restricted Children's Fund, to cover the shortfall on the CYP contract. This excludes costs already covered by restricted income received.

# Sutton Mencap Charity Company

Notes to the financial statements for the year ended 31 March 2015 (continued)

## 13) Tangible fixed assets

	Leasehold Property	Furniture Fittings Fixtures	Office Equipment	Motor Vehicle	Garden	Total
	£	£	£	£	£	£
<b>Cost</b>						
At 1 April 2014	469,699	34,730	16,615	22,500	14,484	558,028
Additions		3,014				3,014
Disposal						0
At 31 March 2015	<b>469,699</b>	<b>37,744</b>	<b>16,615</b>	<b>22,500</b>	<b>14,484</b>	<b>561,042</b>
<b>Depreciation</b>						
At 1 April 2014	442,796	29,350	5,825	13,206	8,688	499,865
Charge for the year	3,164	932	5,538	2,324	1,448	13,406
Disposal						
At 31 March 2015	<b>445,960</b>	<b>30,282</b>	<b>11,363</b>	<b>15,530</b>	<b>10,136</b>	<b>513,271</b>
<b>Net Book Value</b>						
At 31 March 2015	<b>23,739</b>	<b>7,462</b>	<b>5,252</b>	<b>6,970</b>	<b>4,348</b>	<b>47,771</b>
At 31 March 2014	<b>26,903</b>	<b>5,380</b>	<b>10,790</b>	<b>9,294</b>	<b>5,796</b>	<b>58,163</b>
<u>Depreciation rates</u>	15 years straight line Lease period	25% reducing balance	25% reducing balance	25% reducing balance	10 years straight line	

The boiler has been depreciated over the remaining period of the lease: 11 years on a straight line basis

## 14) Debtors

	2015	2014
	£	£
Grants due	0	0
Prepayments	9,551	7,279
Debtors	82,791	17,564
Less: provision for bad debts	(3,000)	
	<b>89,342</b>	<b>24,843</b>

# Sutton Mencap Charity Company

Notes to the financial statements for the year ended 31 March 2015 (continued)

## 15) Creditors - Amounts falling due within one year

	2015	2014
	£	£
Bank	212	809
Accruals	28,506	21,806
Holiday pay accrual	15,900	14,631
Deferred income	38,092	23,113
Creditors	23,069	3,501
	<b>105,779</b>	<b>63,860</b>

## 16) Obligations under lease

At the 31 March 2015 the charity was committed to making the following lease payments under non-cancellable leases

	Photocopier	Land & Buildings	Photocopier	Land & Buildings
	2015	2015	2014	2014
	£	£	£	
Operating lease which expires:				
two to five years	1,810		1,233	0
Over five years		18,400		18,400
Less Grant from LBS		(18,400)		(18,400)
<b>Total</b>	<b>1,810</b>	<b>0</b>	<b>1,233</b>	<b>0</b>

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 £18400 per annum



# Sutton Mencap Charity Company

## Notes to the financial statements for the year ended 31 March 2015 (continued)

### 17) Analysis of net assets between funds

	Adult Community Fund	Children's Service Fund	Wakelen Conservatory Fund	General Unrestricted Fund	Designated Redundancy Fund	Total
	£	£	£	£	£	£
Balance at 1 April 2014	3,437	103,271	1,250	112,549	13,000	233,507
Net incoming resources		(1,597)		(24,235)		(25,832)
Fund Transfers		(36,841)		36,841		0
Designated Redundancy Fund						0
Loss on fixed asset disposal						0
Balance at 31 March 2015	<b>3,437</b>	<b>64,833</b>	<b>1,250</b>	<b>125,155</b>	<b>13,000</b>	<b>207,675</b>
Represented by:						
Tangible fixed assets		12,778		34,993		47,771
Net Current assets	3,437	52,055	1,250	90,162	13,000	159,904
	<b>3,437</b>	<b>64,833</b>	<b>1,250</b>	<b>125,155</b>	<b>13,000</b>	<b>207,675</b>

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

### 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 £11,724 (2014: £10,082)

At 31 March 2015 no contributions were payable and included in creditors.

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

	2015 £	2014 £
Net movement in funds	(25,832)	(7,752)
Add back depreciation charge	13,406	13,846
Deduct interest income shown in investing activities	(3,919)	(5,853)
Decrease(increase) in debtors	(64,499)	(3,593)
Decrease (increase) in creditors	41,919	(62,968)
<b>Net cash used in operating activities</b>	<b>(38,925)</b>	<b>(66,320)</b>

