

Registered number: 12263702
Charity number: 1188118

EAST KENT MENCAP
(A company limited by guarantee)

TRUSTEES' REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 MARCH 2022

EAST KENT MENCAP
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**REFERENCE AND ADMINISTRATIVE DETAILS OF THE COMPANY, ITS TRUSTEES AND ADVISERS
FOR THE YEAR ENDED 30 MARCH 2022**

Trustees	Amy Rutland, Chair Angela Stuart, Trustee Audrey Emmett, Trustee Bridget Crow, Trustee Keith Smith, Trustee (resigned 24 June 2022) Amanda Rackley, Trustee (resigned 24 February 2022) Michael Roberts, Trustee (appointed 24 September 2022) Mark Everett, Trustee (appointed 9 October 2022)
Company registered number	12263702
Charity registered number	1188118
Head office	Foresters Hall Meeting Street Ramsgate Kent CT11 9RT
Registered Address CQC	New Gateway House 132 Northdown Road Margate Kent CT9 2RB
Key management personnel	Chief Executive Officer - Jason Gerlack Strategic Operations Manager/Registered Manager - Karen Roberts
Independent auditor	MHA MacIntyre Hudson Maidstone United Kingdom
Solicitors	Girlings Solicitors Stourside Place Station Road Ashford Kent TN23 1PP
Bankers	Lloyds Bank Plc The Centre Cecil Square Margate Kent CT9 1JG

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**REFERENCE AND ADMINISTRATIVE DETAILS OF THE COMPANY, ITS TRUSTEES AND ADVISERS
(CONTINUED)
FOR THE YEAR ENDED 30 MARCH 2022**

**Health & Safety/
Employment consultants** Peninsula Business Services Ltd
Riverside
New Bailey Street
Manchester
M3 5PB

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TRUSTEES' REPORT
FOR THE YEAR ENDED 30 MARCH 2022

The Trustees who are also Directors of the Charitable Company for the purposes of the Companies Act, are pleased to present their annual Directors' report together with the financial statements of the Charitable Company and which are also prepared to meet the requirements for a Directors' report and accounts for Companies Act purposes.

The financial statements comply with the Charities Act 2011, the Companies Act 2006, the Memorandum and Articles of Association, and the charities Statement of Recommended Practice (applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland; FRS 102) issued in October 2019.

Governing document

East Kent Mencap is a Charitable Company registered with the Charity Commission and a Company Limited by Guarantee. The Charitable Company was entered on the Register of Charities on 15 February 2020 and uses East Kent 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.

Chair's report

The 2021/22 year was a year of consolidation at East Kent Mencap. A focus on rebuilding our services following the impact of Covid-19 and returning back to a new normal as an organisation.

Outbreaks and service disruption still happened regularly, but we knew how to handle it and was able to successfully navigate through.

As a board, we said goodbye to two of our longest serving Trustees and Directors, Keith Smith and Amanda Rackley, and welcomed two new Directors to the board, Mark Everett and Michael Roberts.

As an organisation we have continued to excel, from resource centres to our housing and community services. They have each thrived in a new, normal, making sure our membership is empowered and listened to.

A part of this has been the embedding of our members committee. This is a democratic structure to make sure our members have a vehicle for change. They hold regular meetings, speak to the people they represent and give advice and problem solve to improve their experiences at EKM.

We wish to thank the Senior Management Team of East Kent Mencap, led by Chief Executive Officer, Jason Gerlack for the leadership and commitment shown. East Kent Mencap is also extremely grateful to our directors and trustees who have all given up their valuable time to guide the charity through this unprecedented crisis. Our sincere thanks to all the amazing staff, services, volunteers and fantastic supporters.

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TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 30 MARCH 2022

Members Committee

Now has a board of 13 members with a meeting booked for the final member to join the committee from the Complex Needs Services. Once this member has been welcomed onto the committee, there will be a members / tenants representative from all services, across all geographical locations supported by East Kent Mencap

In 2022, the Members Committee have:

- Welcomed more members to the board.
- Supported staff and Directors to attend events and celebrations
- Suggested, supported and took part in the implementation of successful new fundraising projects i.e. The Spring Forward Challenge
- Suggested, supported and implemented, Member led meetings for members and tenants
- Created easy read policies along with Mental Capacity Act which are now used across East Kent Mencap
- Suggested and supported the implementation of recycling systems across services
- Liaised with and supported service managers and local authorities to address local banks in order to find a solution to the problems and barriers people with a learning disability are facing when trying to access and manage their funds
- Worked in partnership with local Health Authorities to create easy read documents and to discuss access to local services
- Liaising with local schools to support "What's Next" for students leaving education
- Continued to represent members and services by providing vital feedback to managers and chasing responses where necessary
- Become more visible within our community
- Continued to support Alcove to improve services for people using Kara Carephone
- Some members were successful candidates for the BEMIX Be A Leader course
- Supported Kent County Council with their creating the application questions for the new Day services Tender
- Continued to invite and discuss requests from Managers / Senior Management Team and Chief Executive Officer.

There is so much more we have been able to do and to support our peers with that the list could go on. We feel we could not achieve half of this if it was not for the support, commitment and encouragement we receive from staff at East Kent Mencap.

The past couple of years have been difficult due to the pandemic however, East Kent Mencap have been able to give its members even more of a voice, we have gone from strength to strength even in the hardest of times.

We now chair the members / tenant's meetings and are told people feel more confident about speaking up. Staff are always supportive of our requests and suggestions and work with members to provide a service tailored to the needs of the individuals with a person-centred approach.

We look forward to working towards another great year ahead and supporting more of our friends and peers to proud, confident and heard. We also look forward to representing East Kent Mencap by working in co-production with other services and our local communities.

We would like to thank all of the staff for the support they give, to the Senior Management Team, Jason Gerlack and Directors for always fulfilling your promise to us and, living up to the missions and values you state are at the heart of East Kent Mencap.

TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 30 MARCH 2022

OBJECTIVES AND ACTIVITIES

a. Objectives and aims

Everything we do is about valuing and supporting adults and children with a learning disability, as well as their families and carers.

What East Kent Mencap wants (our vision)

Our vision is a world where people with a learning disability are valued equally, listened to and included. We want everyone to have the opportunity to achieve the things they want out of life.

How East Kent Mencap will achieve this (our mission)

We will:

- ~ listen to people with a learning disability
- ~ support people to gain new skills
- ~ support people with learning disabilities, their families and supporters, to fight for changes they want and need
- ~ support all people living with a learning disability to take control of their lives
- ~ give excellent information and advice
- ~ work with people and groups that want the same thing we do
- ~ support people to take the lead in life choices/decisions

East Kent Mencap believes in (our values)

- ~ being people centred
- ~ empowering, including and respecting all people
- ~ challenging wrong ways of thinking about learning disability
- ~ transforming lives
- ~ developing new ideas
- ~ support people with learning disabilities to get a job or take a college course
- ~ support people with learning disabilities to find a place of their own to live
- ~ offer advice about things such as respite care, individual budgets or transport services
- ~ support people with learning disabilities to be part of their local community
- ~ offer supported living, day services and leisure groups to those with learning disabilities and their families and supporters.

b. Significant activities

The main activities provided by the Charitable society for children, young people and adults with a learning disability and their families are as follows:

1. Supported Housing
2. Day centre activities
3. Social meetings through our Clubs and dances
4. Working with partners to provide services to our members
5. Advocacy and Person-Centred Planning
6. Community Support Services for people with multiple disabilities
7. Domiciliary Support
8. Children's Services
9. Complex needs
10. Older person's services

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TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 30 MARCH 2022

c. Volunteers

The number of volunteers not including Trustees was 11.

Whilst our activities and clubs were still greatly reduced, we are grateful to our volunteers who stepped into help as they started to re-open. Volunteers to our Members Committee increased, helping to magnify the voices of everyone who uses our services and ensure their views and opinions are central to the charity.

ACHIEVEMENTS AND PERFORMANCE

Charitable activities

The Trustees confirm that they have referred to the guidelines contained in the Charity Commissions General Guidance on public benefit, including the guidance 'public benefit: running a charity (PB2)' when reviewing the charities aims and objectives and in planning future activities.

The Charitable Company's objects are restricted specifically, in each case only for the public benefit to:

(a) provide relief for adults and children with a Learning Disability in particular by the provision of help, support and education training for them and for their families, dependants and carers, and to promote Learning Disabilities, choice, opportunity, independence, inclusion and cultural diversity; and

(b) provide or assist in the provision of facilities for the recreation or other leisure time occupation for people who have need thereof by reason of Learning Disability with the object of improving their conditions of life

East Kent Mencap has continued to invest in staff through training and development packages. This has ensured service and quality and compliance with the Health and Social Care Act.

In response to the serious National threats posed by the "Big Resignation" East Kent Mencap invested heavily by increasing employee salaries. This resulted in the improvement of recruitment and retention.

East Kent Mencap has committed to undertake additional reviews to counter the cost-of-living crisis on beneficiaries

Further to our stated commitment in the previous year, we have continued to review our range of services and how we fund delivery. Reacting to short deadlines we tendered for and were successful in the award of an additional contract to support children and families.

We have built on the strengths of our Governance model which has resulted in the expansion of our members Committee. This has increased co-production and the shaping of service delivery with representatives from each service we operate. These successes have been externally recognised with the Members Committee now supporting the development of approaches within the NHS and Local Authority.

We have experienced a retraction of some service delivery, notably within the community, but are working hard to return to pre-pandemic levels.

In recognition of our work, we won the following Kent Care Awards:

Putting People First
Apprentice of the Year
Recruitment, Recognition, and Reward

And were finalists for:

Support Worker of the Year
Care Team of the Year

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FOR THE YEAR ENDED 30 MARCH 2022

The Kent Community Health NHS Foundation Trust (KCHNFT) awarded East Kent Mencap's Valuing People Now (VPN) delivery groups with Group of the Year in recognition of their work on co-producing easy read information.

East Kent Mencap was a regional finalist for the 'Great British Care Awards'.

We won the Workforce Development' category at the Kent Integrated Care Alliance (KICA) awards.

We prepared to tender for the Local Authority tender process to select providers to sit on the new Day Service contracts. We were successful in our approach ensuring up to four years of stability and growth.

We have secured numerous grants which have enabled the charity to sustain and create new opportunities for children and adults.

We worked with external consultants to explore the development charitable opportunity, but have concluded that the current economic climate is not yet conducive to creating an additional trading arm.

We were approached by an affiliated charity (before they closed) to provide support in the Ashford District. This has resulted in East Kent Mencap increasing support in that area. Directors have since set growth targets for the district.

Building on our investments to improve virtual support and cloud-based working, we have been awarded grants to reduce loneliness and isolation and also streamline our administration processes.

Our digital/virtual plans and concepts have been introduced to external funders with two notable grants being awarded to increase and enhance our approaches.

We reviewed our assets and sold two properties in Swale as planned within our strategic plan.

We secured planning permission for a major redevelopment of a Thanet based site and secured funding to initiate the first stage of this development.

We complied with our statutory and regulatory requirements and responsibilities by;

- Maintaining our status with the Care Quality Commission
- Meeting the requirements of local authority contracts
- Working closely with external H&S and Employment consultants
- Meeting the standards of Houses of Multiple Occupation
- Conducting internal audit via robust monitoring
- Planning our approach to reducing the threats of Business Risk
- Setting our Investment Strategy and Strategic Plan

Fundraising activities

With the charity still experiencing the challenges of Covid-19, our funding priority was for projects that helped us to move forward. A grant from Kent Community Foundation enabled us to work with a marketing consultant to refresh our communications, whilst also keeping people informed about any changes to services and reassuring every one of our commitments to staying safe. Grants from KCC and Canterbury County Council funded work with members to help them adjust to the rules for staying safe in public including testing, social distancing and wearing a mask, giving them confidence to come back to face-to-face services. A legacy of £100,000 from an ex-service user was timely, as the charity experienced the increased costs of smaller groups, PPE and higher staff absences due to Covid-19. Despite a reduced team, following the departure of our Community Fundraiser, the charity continued to receive strong support from the community, who generously donated gifts and funds.

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TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 30 MARCH 2022

Fundraising Regulation and Compliance

During 2021-2022 fundraising was conducted by the East Kent Mencap team of employed fundraisers. No complaints were received with regards to fundraising throughout the course of the year, no professional fundraisers were contracted, and no commercial partnership agreements were entered in to.

The organisation monitors and manages its fundraising regulation and compliance through a combination of training programmes, internal processes, internal audits and quarterly management reporting. This takes into consideration the collection and use of personal data, frequency of contact, how to identify and support vulnerable people and compliance and regulatory requirements.

East Kent Mencap is registered with the Fundraising Regulator. Jane Brooke, East Kent Mencap's Fundraising Manager is a Member of the Chartered Institute of Fundraising.

FINANCIAL REVIEW

Investment policy

Investment within the financial markets are not undertaken by the Charitable Company. All cash surpluses are placed in bank accounts to attain as high an interest rate return as possible.

It is East Kent Mencap's strategy to utilise cash surpluses to benefit the Membership through capital investment programmes, to acquire Housing and Day Provision from which to launch commissioned services and generate new sources of income.

However, due to the Pandemic and pressures on the Charities finances, further purchases of property for supported living have been put on hold. The expansion of the Day Services is a priority as well as investigating new income streams in order to reduce the Charities reliance on local authority contracts.

As planned properties in the Swale area were sold by auction in June 2022. It is hoped in the future that these monies may be used to acquire a suitable property for the benefit of our Members.

The employees and members of East Kent Mencap have continued to benefit from the investment of cloud-based technology which was implemented during the Pandemic. The use of KARA tablets, a joint project with Kent County Council has continued to benefit our members.

The Strategic plan, Financial Business & Investment Plan and Business Risk register were all extensively reviewed during 2022 and signed off by the Directors in September 2022.

In the strategic plan, East Kent Mencap identified that it seeks to do more to improve the lives of people with a learning disability. However, it was noted that adapting to the financial pressures of the pandemic would place significant pressure on income which would affect our ability to respond to these challenges.

More recently we have had to respond to the cost-of-living crisis, the effect it has had on our employees, recruitment difficulties and rising energy prices have proven to be financially challenging.

In recent years East Kent Mencap had made further significant investments to modernise the Charity, we incorporated the Charity, then merged the Charitable Trust, East Kent Mencap 220798 to East Kent Mencap Charitable Company in June 2020.

Due to the extraordinary impact of the pandemic, it remains necessary to finalise the procedural aspect of a valuation of the lender-secured properties. Regardless, all assets are now under control of the Charitable Company and therefore in substance the transfer is complete and reflected as such in these financial statements.

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Following the merger, the Charitable Company is now registered with CQC.

Reserves policy

The purpose of the East Kent Mencap reserves policy is to secure the future of our services, to fund projects and future building costs and property purchases for the benefit of our Members. However as a result of the Pandemic, property purchases have been put on hold for the time being.

The Trustees reviewed the Reserves policy and were in agreement that East Kent Mencap should hold reserves equal to one to two months of employee payroll.

At 30 March 2022, the amount of total funds held by East Kent Mencap was £2,843,136, the unrestricted reserve total was £2,649,479 and calculated as unrestricted net assets of £2,649,479.

Included in the total funds for the Year ended 30 March 2022, are Tangible fixed assets of £3,017,180 of which Freehold property is stated with a net book value of £2,969,667.

The Trustees consider that the market value of the freehold property to be considerably higher than the amount shown on the Balance Sheet.

The intention was to value the properties using professional valuations, however the pandemic put this on hold. It is the intention of the Trustees to carry out the valuations during 2023.

Within the Tangible fixed assets figure are restricted funds of £170,205.

In considering the charity reserves, the Trustees had carried out an extensive exercise identifying the functional assets of the charity and plans were drawn up for utilising any property reserves if the need should arise, based on their analysis.

Ahead of setting the Reserves Policy, Directors reviewed and or completed the following documents:

Business Risk Register
Strategic Plan
Financial Business an Investment Plan
Functional Asset Impact Analysis

Financial review

The comparison results for the Year ended 30 March 2021 are clouded by the merger of the unincorporated Charity, East Kent Mencap 220798 with the incorporated East Kent Mencap Charitable Company in June 2020. This has meant the comparison results, for the Year ended 30 March 2021, presented in the accounts are post-merger for nine months.

Income and expenditure reported for the first complete year as a Charitable Company for the Year ended 30 March 2022:

Total income was £3,045,763 of which £2,933,111 was from Charitable Activities, this is compared with nine month post-merger results, for the Year ended 30 March 2021, income of £5,233,930 of which £2,012,601 was from Charitable Activities. Included in the income figure of £5,233,930, is a donation figure of £3,170,154 which arose as a result of the treatment of the transfer of net assets following the merger of East Kent Mencap unincorporated Charity, with the incorporated East Kent Mencap Charitable Company on 30 June 2020.

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FOR THE YEAR ENDED 30 MARCH 2022

For the Year ended 30 March 2022, after total expenditure of £3,050,276, a net movement of funds and a loss of £4,513 is shown. Compared with the Year ended 30 March 2021, after total expenditure of £2,384,744, results in a net movement in funds and a surplus of £2,849,186. However removing the merger donation of £3,170,154, would have resulted in a net movement of funds and a loss of £320,968 for the nine month post-merger period from 30 June 2020.

East Kent Mencap was grateful to receive local authority grants during the financial year to help with the costs relating to Covid-19, such as testing, vaccinating employees and retention of staff. During the initial periods of lockdown we were funded by the local authority, based on our planned contractual services. However, as the restrictions continued, this funding ceased. This has had a significant effect on our finances especially as our frontline employees continue to contract Covid-19.

East Kent Mencap remains grateful for the continued support from the National Lottery Community Fund – for the project Getting On with Learning Disability (GOLD) with their significant grant.

East Kent Mencap received HMRC Government Grants in respect of the Job Retention Scheme and Coronavirus Statutory Sick Pay Rebate Scheme during the Financial Year.

Significant financial events

There is no doubt that the pandemic had a significant impact on East Kent Mencap's finances, we lost the majority of our self-financing income and our plans to expand our Day Services were severely curtailed. However, we continue to see a growth in demand for our Day Services particularly in the Herne Bay Area.

There will definitely be challenges ahead. East Kent Mencap has responded to the cost-of-living crisis, the effect it has had on our employees, recruitment difficulties and rising energy prices.

Having identified recruitment and retention difficulties in 2021, it became apparent that the National Employment Crisis was far worse than expected.

As resignations rapidly increased, we struggled to meet our responsibilities and found it necessary to work with the individuals we supported and the local authority to secure alternative support.

This was a difficult period, but we ensured that we complied with our statutory responsibilities.

In recognition of the threat, Directors utilised reserves to increase employee salaries.

This resulted in a steady status, buying sufficient time to commence analysis and planning for the future.

Following completion of this process, Directors will consider the next steps in 2023.

Principal risks and uncertainties

The charity took significant steps to mitigate the threats of the National Staffing Crisis. Our approach achieved the immediate objectives of increasing recruitment and retention. Since then, additional threats to the UK economy linked to Brexit and the war in Ukraine have emerged. The economic outlook for the UK and our sector in the next operating year is challenging. This has been recognised within the charities Strategic Operation Plan and Investment Strategy which has been carefully considered against a detailed Business Risk Register.

In addition to our usual processes, we will carefully analyse economy, efficiency and effectiveness taking appropriate steps to ensure we maintain a healthy financial position.

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TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 30 MARCH 2022

Future Plans

We will:

Seek to complete the final elements of transferring assets from the trust to the company

Conduct a further review of our Strategic Plans and Investment Strategy

Re-tender for Lot 2 of the Day Service Contract (January 2023)

Maintain quality and contract compliance

Diversify to become less dependent on statutory income

Replace older housing stock (Where possible and in line with resources)

Continue to explore options to enhance/widen our delivery in all Districts

Explore closer partnership and consortium opportunities

Explore larger sustainable funding opportunities

Continue to develop Services across our charity in line with local and organisational strategy

Work with a local Housing Provider Agency to explore an opportunity to secure a new opportunity in Deal

STRUCTURE, GOVERNANCE AND MANAGEMENT

a. Governing document

East Kent Mencap is a Company limited by guarantee governed by its Memorandum and Articles of Association dated 16th September 2019, the Articles of Associations were amended on 12th December 2019 by Special Written Resolution.

East Kent Mencap is a Charity registered with the Charity Commission.

The Charitable Company was entered on the Register of Charities on 15th February 2020.

b. Methods of appointment or election of Trustees / Directors

Those who wish to be considered for a post of Trustee / Director within the Charitable Company need to register an interest. Any person who is willing to act as a Trustee / Director and who is permitted by law to do so, may be appointed to be a Trustee / Director by ordinary resolution of the Trustee / Directors so that voting can take place at that meeting. A Trustee / Director shall become a Member on becoming a Director.

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FOR THE YEAR ENDED 30 MARCH 2022

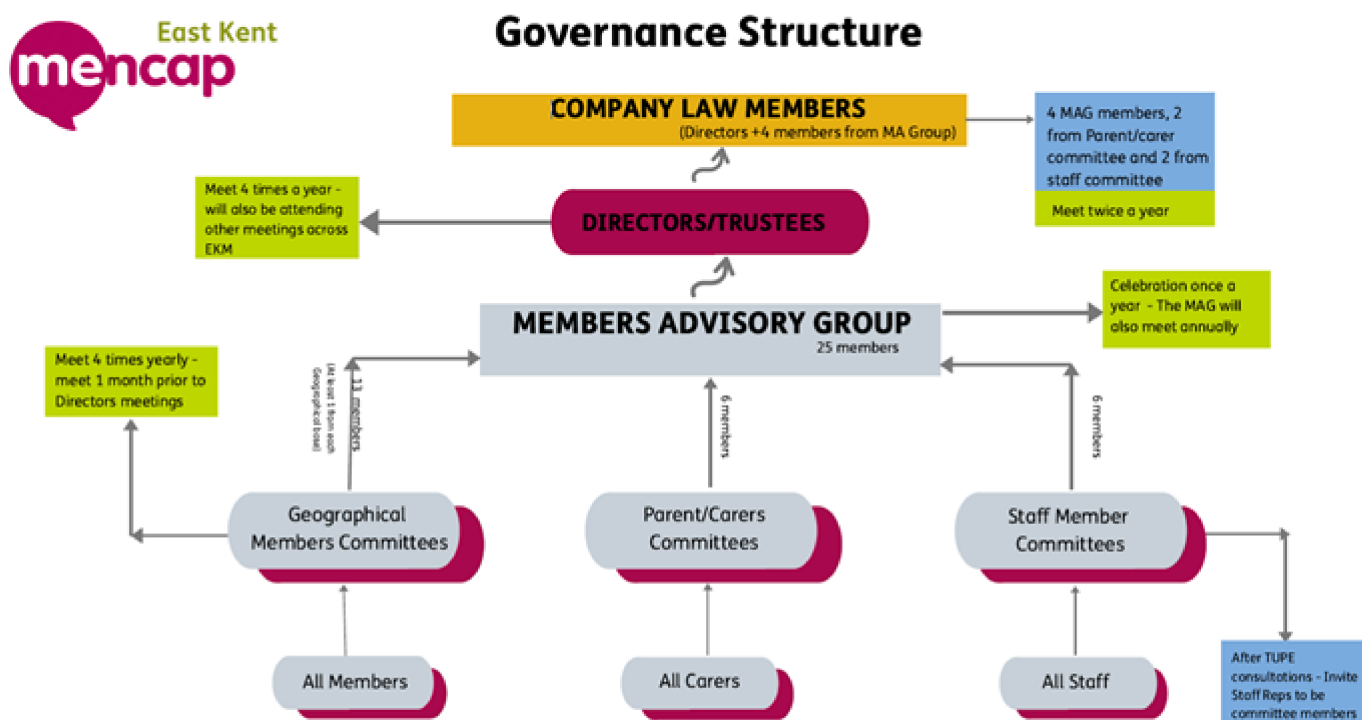
c. Organisational structure

The Charity is run by Trustees / Directors who shall meet at least four times a year.

The number of Trustees / Directors is not subject to a maximum but shall not be less than three.

Subject to Article 8 of the Articles of Association, Membership of the Charity shall be open to all people aged 18 years or over (whether with or without a learning disability) who declare their support for and are found in sympathy with the objects.

East Kent Mencap has published its current Governance Structure:



The day to day running of the Charity is further delegated to the Chief Executive Officer (CEO) Jason Gerlack.

Members hold regular meetings, and report and make requests to the appropriate teams

Regular employee meetings are held to ensure that quality assurance is maintained.

The CEO reports to the Trustee / Directors which ensures due diligence is followed in all areas.

Regular Health & Safety meetings seek to ensure continuous safety and welfare improvement. This process is audited externally by designated consultants.

Financial protocols are rigorously adhered to.

TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 30 MARCH 2022

Pay Policy for Senior Staff

New Management positions (none within the reporting period) are benchmarked against the sector in order to establish commensurate salaries.

The charity has continued to deploy a competency framework which enables employees to progress in their career and secures increased salaries.

The competency framework was not reviewed as planned in 2022 due to the need to take urgent actions in early 2022.

Whilst we have recorded strong outcomes in many services, a number have continued to be impacted by the pandemic.

A review of our current management and administration structures will be undertaken in 2023

d. Policies adopted for the induction and training of Trustees / Directors

All Trustees / Directors are made aware of their responsibilities by dialogue with existing Trustees, a copy of the Charity Commission booklet on trustee responsibilities. Because of the nature of our work, a full DBS check is required (updated every three years) and two references obtained. Governance training is available and encouraged.

e. Wider network

East Kent Mencap is affiliated to National Mencap through a Membership Agreement 2007-2009 (England & Wales).

Affiliation agreements have been retained under review with Mencap's 20/20 plan.

There is little impact on East Kent Mencap policy as these are generally in line with Regulatory, Statutory or Legal responsibilities.

f. Risk management

Policy and procedure documentation is in place to cover organisational structure and decision-making processes. These policies are constantly updated and added to as soon as a need is recognised. Risk management is constantly reviewed by all staff involved, and written documentation in place.

East Kent Mencap has appointed Peninsula Business Services Ltd as consultants on Health & Safety matters

TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 30 MARCH 2022

Statement of Trustees' responsibilities

The Trustees (who are also the directors of the Company for the purposes of company law) are responsible for preparing the Trustees' report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice). The law applicable to charities in England and Wales requires the Trustees to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the Charity and of its incoming resources and application of resources, including its income and expenditure, for that period. In preparing these financial statements, the Trustees are required to:

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles of the Charities SORP (FRS 102);
- make judgements and accounting estimates that are reasonable and prudent; state whether applicable UK Accounting Standards (FRS 102) 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 Charity will continue in business.

The Trustees are responsible for keeping adequate accounting records that are sufficient to show and explain the Charity's transactions and disclose with reasonable accuracy at any time the financial position of the Charity and enable them to ensure that the financial statements comply with the Charities Act 2011, the Charity (Accounts and Reports) Regulations 2008 and provisions of the Trust deed. They are also responsible for safeguarding the assets of the Charity and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Disclosure of information to auditor


Each of the persons who are Trustees at the time when this Trustees' report is approved has confirmed that:

- so far as that Trustee is aware, there is no relevant audit information of which the charity's auditor is unaware, and
- that Trustee has taken all the steps that ought to have been taken as a Trustee in order to be aware of any relevant audit information and to establish that the charity's auditor is aware of that information.

Auditor

The auditor, MHA MacIntyre Hudson, has indicated his willingness to continue in office. The designated Trustees will propose a motion reappointing the auditor at a meeting of the Trustees.

Approved by order of the members of the board of Trustees and signed on their behalf by:



.....
Amy Rutland
Chair
Date: 29/03/23

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INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF EAST KENT MENCAP

Opinion

We have audited the financial statements of East Kent Mencap (the 'charitable company') for the year ended 30 March 2022 which comprise the Statement of financial activities, the Balance sheet, the Statement of cash flows and the related notes, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the charitable company's affairs as at 30 March 2022 and of its incoming resources and application of resources, including its income and expenditure for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Charities Act 2011.

Basis for opinion

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

Conclusions relating to going concern

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

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

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

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INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF EAST KENT MENCAP (CONTINUED)

Other information

The other information comprises the information included in the Annual report other than the financial statements and our Auditor's report thereon. The Trustees are responsible for the other information contained within the Annual report. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon. Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the course of the audit, or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Matters on which we are required to report by exception

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

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

Responsibilities of trustees

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

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

EAST KENT MENCAP
(A company limited by guarantee)

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF EAST KENT MENCAP (CONTINUED)

Auditor's responsibilities for the audit of the financial statements

We have been appointed as auditor under section 144 of the Charities Act 2011 and report in accordance with the Act and relevant regulations made or having effect thereunder.

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

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

- Enquiry of management around actual and potential litigation and claims; and
- enquiry of management to identify any instances of non-compliance with laws and regulations; and
- performing audit work over the risk of management override of controls, including testing of journal entries and other adjustments for appropriateness, evaluating the business rationale of significant transactions outside the normal course of business and reviewing accounting estimates for bias; and
- reviewing minutes of meetings of those charged with governance; and
- maintaining risk-awareness and appropriate professional scepticism throughout our other audit work.

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

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our Auditor's report.

EAST KENT MENCAP
(A company limited by guarantee)

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF EAST KENT MENCAP (CONTINUED)

Use of our report

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

MHA MacIntyre Hudson

MHA MacIntyre Hudson
Statutory Auditor
Maidstone
United Kingdom

Date: 30 March 2023

MHA MacIntyre Hudson are eligible to act as auditors in terms of section 1212 of the Companies Act 2006.

EAST KENT MENCAP
(A company limited by guarantee)

**STATEMENT OF FINANCIAL ACTIVITIES (INCORPORATING INCOME AND EXPENDITURE ACCOUNT)
FOR THE YEAR ENDED 30 MARCH 2022**

	Note	Unrestricted funds 2022 £	Restricted funds 2022 £	Total funds 2022 £	Total funds 2021 £
Income from:					
Donations and legacies	4	110,282	1,278	111,560	3,220,036
Charitable activities	5	2,722,871	210,240	2,933,111	2,012,601
Other trading activities	8	765	282	1,047	1,273
Investments	9	45	-	45	20
Total income		2,833,963	211,800	3,045,763	5,233,930
Expenditure on:					
Raising funds	10	191	-	191	512
Charitable activities	11	2,892,144	157,941	3,050,085	2,384,232
Total expenditure		2,892,335	157,941	3,050,276	2,384,744
Net movement in funds		(58,372)	53,859	(4,513)	2,849,186
Reconciliation of funds:					
Total funds brought forward		2,707,851	139,798	2,847,649	(1,537)
Net movement in funds		(58,372)	53,859	(4,513)	2,849,186
Total funds carried forward		2,649,479	193,657	2,843,136	2,847,649

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

The notes on pages 23 to 44 form part of these financial statements.

EAST KENT MENCAP
(A company limited by guarantee)
REGISTERED NUMBER: 12263702

BALANCE SHEET
AS AT 30 MARCH 2022

	Note	2022 £	2021 £
Fixed assets			
Tangible assets	16	3,017,180	3,106,457
		<u>3,017,180</u>	<u>3,106,457</u>
Current assets			
Debtors	17	407,082	487,379
Cash at bank and in hand		632,893	636,548
		<u>1,039,975</u>	<u>1,123,927</u>
Creditors: amounts falling due within one year	18	(291,828)	(325,447)
Net current assets / (liabilities)		748,147	798,480
Creditors: amounts falling due after more than one year	19	(922,191)	(1,057,288)
Total net assets		<u>2,843,136</u>	<u>2,847,649</u>
Charity funds			
Restricted funds	21	193,657	139,798
Unrestricted funds	21	2,649,479	2,707,851
Total funds		<u>2,843,136</u>	<u>2,847,649</u>

EAST KENT MENCAP
(A company limited by guarantee)
REGISTERED NUMBER: 12263702

BALANCE SHEET (CONTINUED)
AS AT 30 MARCH 2022

The entity was entitled to exemption from audit under section 477 of the Companies Act 2006.

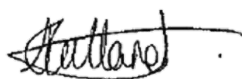
The members have not required the entity to obtain an audit for the year in question in accordance with section 476 of the Companies Act 2006.

However, an audit is required in accordance with section 144 of the Charities Act 2011.

The Trustees acknowledge their responsibilities for complying with the requirements of the Act with respect to accounting records and preparation of financial statements.

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

The financial statements were approved and authorised for issue by the Trustees and signed on their behalf by:



.....
Amy Rutland

Chair

Date: 29/03/23

The notes on pages 23 to 44 form part of these financial statements.

EAST KENT MENCAP
(A company limited by guarantee)

STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 30 MARCH 2022

	2022	2021
	£	£
Cash flows from operating activities		
Net cash used in operating activities	(3,700)	739,313
	<hr/>	<hr/>
Cash flows from investing activities		
Purchase of tangible fixed assets	-	(17,649)
Interest received	45	20
	<hr/>	<hr/>
Net cash provided by/(used in) investing activities	45	(17,629)
	<hr/>	<hr/>
Cash flows from financing activities		
Repayments of borrowing	-	(95,299)
	<hr/>	<hr/>
Net cash provided by/(used in) financing activities	-	(95,299)
	<hr/>	<hr/>
Change in cash and cash equivalents in the year	(3,655)	626,385
Cash and cash equivalents at the beginning of the year	636,548	10,163
	<hr/>	<hr/>
Cash and cash equivalents at the end of the year	632,893	636,548
	<hr/> <hr/>	<hr/> <hr/>

The notes on pages 23 to 44 form part of these financial statements

EAST KENT MENCAP
(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 MARCH 2022

1. General information

East Kent Mencap is a company limited by guarantee incorporated in England and Wales in the United Kingdom. The registered office is East Kent Mencap Foresters Hall, Meeting Street, Ramsgate, Kent, CT11 9RT.

The financial statements are presented in sterling which is the functional currency of the Company and rounded to the nearest £1.

2. Accounting policies

2.1 Basis of preparation of financial statements

The financial statements have been prepared in accordance with the Charities SORP (FRS 102) - Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2019), the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) and the Companies Act 2006.

East Kent Mencap meets the definition of a public benefit entity under FRS 102. Assets and liabilities are initially recognised at historical cost or transaction value unless otherwise stated in the relevant accounting policy.

2.2 Going concern

The trustees have a reasonable expectation that the Company will have adequate resources to continue in operational existence for the foreseeable future. The company therefore continues to adopt the going concern basis in preparing its financial statements.

2.3 Income

All income is recognised once the Company has entitlement to the income, it is probable that the income will be received and the amount of income receivable can be measured reliably.

The recognition of income from legacies is dependent on establishing entitlement, the probability of receipt and the ability to estimate with sufficient accuracy the amount receivable. Evidence of entitlement to a legacy exists when the Company has sufficient evidence that a gift has been left to them (through knowledge of the existence of a valid will and the death of the benefactor) and the executor is satisfied that the property in question will not be required to satisfy claims in the estate. Receipt of a legacy must be recognised when it is probable that it will be received and the fair value of the amount receivable, which will generally be the expected cash amount to be distributed to the Company, can be reliably measured.

Grants are included in the Statement of financial activities on a receivable basis. The balance of income received for specific purposes but not expended during the period is shown in the relevant funds on the Balance sheet. Where income is received in advance of entitlement of receipt, its recognition is deferred and included in creditors as deferred income. Where entitlement occurs before income is received, the income is accrued.

Income tax recoverable in relation to investment income is recognised at the time the investment income is receivable.

Other trading activities comprise income generated from various fund raising and social events.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 MARCH 2022**

2. Accounting policies (continued)

2.4 Expenditure

Expenditure is recognised once there is a legal or constructive obligation to transfer economic benefit to a third party, it is probable that a transfer of economic benefits will be required in settlement and the amount of the obligation can be measured reliably. Expenditure is classified by activity. The costs of each activity are made up of the total of direct costs and shared costs, including support costs involved in undertaking each activity. Direct costs attributable to a single activity are allocated directly to that activity. Shared costs which contribute to more than one activity and support costs which are not attributable to a single activity are apportioned between those activities on a basis consistent with the use of resources. Central staff costs are allocated on the basis of time spent, and depreciation charges allocated on the portion of the asset's use.

Expenditure on raising funds includes all expenditure incurred by the Company to raise funds for its charitable purposes and includes costs of all fundraising activities events and non-charitable trading.

Expenditure on charitable activities is incurred on directly undertaking the activities which further the Company's objectives, as well as any associated support costs.

All expenditure is inclusive of irrecoverable VAT.

2.5 Government grants

Government grants are credited to the Statement of financial activities as the related expenditure is incurred.

2.6 Interest receivable

Interest on funds held on deposit is included when receivable and the amount can be measured reliably by the Company; this is normally upon notification of the interest paid or payable by the institution with whom the funds are deposited.

2.7 Taxation

The Company is considered to pass the tests set out in Paragraph 1 Schedule 6 of the Finance Act 2010 and therefore it meets the definition of a charitable company for UK corporation tax purposes. Accordingly, the Company is potentially exempt from taxation in respect of income or capital gains received within categories covered by Chapter 3 Part 11 of the Corporation Tax Act 2010 or Section 256 of the Taxation of Chargeable Gains Act 1992, to the extent that such income or gains are applied exclusively to charitable purposes.

2.8 Tangible fixed assets and depreciation

Tangible fixed assets costing £1,000 or more are capitalised and recognised when future economic benefits are probable and the cost or value of the asset can be measured reliably.

Tangible fixed assets are initially recognised at cost. After recognition, under the cost model, tangible fixed assets are measured at cost less accumulated depreciation and any accumulated impairment losses. All costs incurred to bring a tangible fixed asset into its intended working condition should be included in the measurement of cost.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 MARCH 2022**

2. Accounting policies (continued)

2.8 Tangible fixed assets and depreciation (continued)

Depreciation is charged so as to allocate the cost of tangible fixed assets less their residual value over their estimated useful lives.

Depreciation is provided on the following basis:

Freehold property	-	2% on cost
Motor vehicles	-	25% reducing balance
Fixtures and fittings	-	25% reducing balance

2.9 Debtors

Trade and other debtors are recognised at the settlement amount after any trade discount offered. Prepayments are valued at the amount prepaid net of any trade discounts due.

2.10 Cash at bank and in hand

Cash at bank and in hand includes cash and short-term highly liquid investments with a short maturity of three months or less from the date of acquisition or opening of the deposit or similar account.

2.11 Liabilities and provisions

Liabilities are recognised when there is an obligation at the Balance sheet date as a result of a past event, it is probable that a transfer of economic benefit will be required in settlement, and the amount of the settlement can be estimated reliably.

2.12 Financial instruments

The Company only has financial assets and financial liabilities of a kind that qualify as basic financial instruments. Basic financial instruments are initially recognised at transaction value and subsequently measured at their settlement value with the exception of bank loans which are subsequently measured at amortised cost using the effective interest method.

2.13 Pensions

The Company operates a defined contribution pension scheme and the pension charge represents the amounts payable by the Company to the fund in respect of the year.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 MARCH 2022**

2. Accounting policies (continued)

2.14 Fund accounting

General funds are unrestricted funds which are available for use at the discretion of the Trustees in furtherance of the general objectives of the Company and which have not been designated for other purposes.

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

Further explanation of the nature and purpose of each fund is included in the notes to the financial statements.

3. Critical accounting estimates and areas of judgement

Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

The Company makes estimates and assumptions concerning the future. The resulting accounting estimates and assumptions will, by definition, seldom equal the related actual results. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below.

Other than those disclosed in note 2, there were no estimates or judgements made by management in the preparation of these financial statements.

EAST KENT MENCAP
(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 MARCH 2022

4. Income from donations and legacies

	Unrestricted funds 2022 £	Restricted funds 2022 £	Total funds 2022 £	<i>Total funds 2021 £</i>
Donations	6,777	1,278	8,055	3,178,440
Legacies	100,000	-	100,000	-
Government grants	3,505	-	3,505	41,596
Total 2022	<u>110,282</u>	<u>1,278</u>	<u>111,560</u>	<u>3,220,036</u>
<i>Total 2021</i>	<u>2,823,206</u>	<u>396,830</u>	<u>3,220,036</u>	

In the prior year accounts, as at 30 June 2020, East Kent Mencap, a charitable trust transferred its business and net assets to the Charitable Company, except for certain domiciliary care contracts which continue to be held on behalf of the Charitable Company until CQC approval for their transfer has been granted, in addition to the valuation of lender-secured properties. The transfer of net assets of £3,170,154 is included within last year's donations above.

Included within government grants above are amounts received from HMRC in relation to £1,787 (2021: £35,409) for the coronavirus job retention scheme. There are no unfulfilled conditions or other contingencies attached to the grant at the balance sheet date and no other form of government assistance has been received during the period.

EAST KENT MENCAP
(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 MARCH 2022

5. Income from charitable activities

	Unrestricted funds 2022 £	Restricted funds 2022 £	Total funds 2022 £	<i>Total funds 2021 £</i>
Income from charitable activities	2,722,871	210,240	2,933,111	2,012,601
<i>Total 2021</i>	<u>1,899,960</u>	<u>112,641</u>	<u>2,012,601</u>	

6. Income from charitable activities

	2022 £	<i>2021 £</i>
KCC	1,505,516	1,008,466
Housing benefit	523,207	404,320
Direct payments from members	403,714	216,423
Grants (note 7)	320,097	253,908
Transport	7,018	2,997
Rent from residents	48,913	29,477
Rent from leased buildings	7,050	4,500
Local Authority Funding (non KCC)	108,996	88,722
Other	8,600	3,788
	<u>2,933,111</u>	<u>2,012,601</u>

EAST KENT MENCAP
(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 MARCH 2022

7. Analysis of grants received

	2022	2021
	£	£
Groundwork UK	-	500
National Lottery Community Fund - GOLD	98,915	97,780
The National Lottery Coronavirus Community Support Fund	4,618	28,892
KCC - Infection Control Grant	39,643	45,450
South Kent Coast & Thanet Strategic Grant	-	12,041
Ashford and Canterbury Coastal Strategic Grant	-	8,259
Swale Borough Council Grant	-	500
Julia & Hans Rausing Trust Grant	-	41,215
KCC Workforce Capacity Fund	23,693	10,672
Pfizer - Virtual Isolation Club Grant	-	1,000
Sport England Tackling Inequalities Grant	3,399	3,399
Community Confidence Project Grant	1,255	4,200
Young People's Autistic Spectrum Condition Innovation Grant	17,426	-
East Kent Treat Me Well Campaign	1,300	-
Kent Community Foundation	6,300	-
KCC - Short break activity grant	29,600	-
East Kent Area VPN Grant	40,599	-
Education & Skills Grant	3,000	-
Access Impact Business Growth Fund	4,050	-
Letsgetdigital Grant	10,032	-
KCC COVID-19 Grant	14,445	-
Dover District Council - Green Initiatives Project	2,838	-
Architectural Heritage Grant	14,984	-
Sheerness Town Council Community Grant	500	-
Ramsgate Town Council Fund	3,500	-
	320,097	253,908

EAST KENT MENCAP
(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 MARCH 2022**

8. Income from other trading activities

Income from fundraising events

	Unrestricted funds 2022 £	Restricted funds 2022 £	Total funds 2022 £	<i>Total funds 2021 £</i>
Fundraising events	765	282	1,047	1,207
Social events	-	-	-	66
Total 2022	<u>765</u>	<u>282</u>	<u>1,047</u>	<u>1,273</u>
<i>Total 2021</i>	<u>1,273</u>	<u>-</u>	<u>1,273</u>	

EAST KENT MENCAP
(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 MARCH 2022**

9. Investment income

	Unrestricted funds 2022 £	Total funds 2022 £	<i>Total funds 2021 £</i>
Deposit account interest	45	45	20
<i>Total 2021</i>	<u>20</u>	<u>20</u>	

10. Expenditure on raising funds

Fundraising trading expenses

	Unrestricted funds 2022 £	Total funds 2022 £	<i>Total funds 2021 £</i>
Fundraising event expenses	191	191	512
<i>Total 2021</i>	<u>512</u>	<u>512</u>	

11. Analysis of expenditure on charitable activities

Summary by fund type

	Unrestricted funds 2022 £	Restricted funds 2022 £	Total 2022 £	<i>Total 2021 £</i>
Cost of charitable activities	2,892,144	157,941	3,050,085	2,384,232
<i>Total 2021</i>	<u>2,262,693</u>	<u>121,539</u>	<u>2,384,232</u>	

EAST KENT MENCAP
(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 MARCH 2022**

12. Analysis of expenditure by activities

	Activities undertaken directly 2022 £	Support costs 2022 £	Total funds 2022 £	<i>Total funds 2021 £</i>
Cost of charitable activities	3,022,609	27,476	3,050,085	2,384,232
<i>Total 2021</i>	2,367,652	16,580	2,384,232	

EAST KENT MENCAP
(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 MARCH 2022**

12. Analysis of expenditure by activities (continued)

Analysis of direct costs

	Cost of charitable activities 2022 £	Total funds 2022 £	<i>Total funds 2021 £</i>
Staff costs	2,454,168	2,454,168	1,939,961
Depreciation	89,277	89,277	68,660
Rates and water	17,832	17,832	11,671
Insurance	27,181	27,181	19,334
Light and heat	40,629	40,629	34,703
Telephone, postage & stationery	27,868	27,868	22,461
Advertising	1,297	1,297	1,649
Sundries	17,522	17,522	11,459
Computer expenses	53,054	53,054	51,363
Tenants share of utilities	11,524	11,524	11,429
Vehicle & transport costs	49,317	49,317	33,809
Room hire	10,202	10,202	7,702
Repairs & renewals	46,213	46,213	43,598
Cleaning & housing facilities	26,122	26,122	17,984
Activities	15,573	15,573	12,817
Training	2,663	2,663	118
Professional fees	65,541	65,541	19,915
Legal fees	1,808	1,808	12,789
Interest payable and similar charges	54,742	54,742	43,214
Bad debts	10,076	10,076	3,016
Total 2022	<u>3,022,609</u>	<u>3,022,609</u>	<u>2,367,652</u>
<i>Total 2021</i>	<u>2,367,652</u>	<u>2,367,652</u>	

EAST KENT MENCAP
(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 MARCH 2022

12. Analysis of expenditure by activities (continued)

Analysis of support costs

	Governance costs 2022 £	Total funds 2022 £	Total funds 2021 £
Auditor's remuneration	27,476	27,476	16,580
	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>
<i>Total 2021</i>	16,580	16,580	
	<hr/> <hr/>	<hr/> <hr/>	

13. Auditor's remuneration

	2022 £	2021 £
Fees payable to the Company's auditor for the audit of the Company's annual accounts	18,460	10,500
Fees payable to the Company's auditor in respect of: All non-audit services not included above	9,016	6,080
	<hr/> <hr/>	<hr/> <hr/>

EAST KENT MENCAP
(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 MARCH 2022

14. Staff costs

	2022	<i>2021</i>
	£	£
Wages and salaries	2,227,554	<i>1,769,650</i>
Social security costs	182,429	<i>136,858</i>
Contribution to defined contribution pension schemes	44,185	<i>33,453</i>
	2,454,168	<i>1,939,961</i>

Termination payments were paid to an employee totalling £Nil (2021 - £5,615).

The average number of persons employed by the Company during the year was as follows:

	2022	<i>2021</i>
	No.	No.
Productive staff	95	<i>95</i>
Administrative staff	26	<i>26</i>
	121	<i>121</i>

The number of employees whose employee benefits (excluding employer pension costs) exceeded £60,000 was:

	2022	<i>2021</i>
	No.	No.
In the band £70,001 - £80,000	-	<i>1</i>
In the band £90,001 - £100,000	1	<i>-</i>

The key management personnel of the Trust comprise the Trustees and the senior management team as listed on page 1. The total amount of employee benefits (including employer pension contributions and employer national insurance contributions) received by key management personnel for their services to was £184,744 (2021 - £157,947).

15. Trustees' remuneration and expenses

During the year, no Trustees received any remuneration or other benefits (2021 - £NIL).

During the year ended 30 March 2022, no Trustee expenses have been incurred (2021 - £NIL).

EAST KENT MENCAP
(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 MARCH 2022**

16. Tangible fixed assets

	Freehold property £	Motor vehicles £	Fixtures and fittings £	Total £
Cost or valuation				
At 31 March 2021	3,672,023	14,945	121,218	3,808,186
At 30 March 2022	<u>3,672,023</u>	<u>14,945</u>	<u>121,218</u>	<u>3,808,186</u>
Depreciation				
At 31 March 2021	628,920	14,806	58,003	701,729
Charge for the year	73,436	36	15,805	89,277
At 30 March 2022	<u>702,356</u>	<u>14,842</u>	<u>73,808</u>	<u>791,006</u>
Net book value				
At 30 March 2022	<u><u>2,969,667</u></u>	<u><u>103</u></u>	<u><u>47,410</u></u>	<u><u>3,017,180</u></u>
At 30 March 2021	<u><u>3,043,103</u></u>	<u><u>139</u></u>	<u><u>63,215</u></u>	<u><u>3,106,457</u></u>

The Trustees consider that the market value of the freehold properties held at 30 March 2022 is considerably higher than the amount shown on the Balance Sheet. In the absence of a current professional valuation, the increase in the value cannot be quantified.

In the prior year accounts, as at 30 June 2020, East Kent Mencap, a charitable trust transferred its tangible fixed assets to the charitable company net book value of £2,965,468.

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(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 MARCH 2022**

17. Debtors

	2022	<i>2021</i>
	£	£
Due within one year		
Trade debtors	333,722	345,080
Other debtors	6,586	53,327
Prepayments and accrued income	66,774	88,972
	407,082	<i>487,379</i>

The Trustees have been granted access in the year by the bank to the account transferred from Isle of Sheppey Mencap. Last year, at the balance sheet the bank account was not sufficiently accessible to be classified as a Cash and Cash Equivalent and the balance of £53,327 and had been categorised instead within Other Debtors as a current asset. Accordingly in the current year, the balance of £2,547 has been classified to Cash at Bank & in Hand.

18. Creditors: Amounts falling due within one year

	2022	<i>As restated</i> <i>2021</i>
	£	£
Bank loans	137,489	133,189
Trade creditors	22,156	30,864
Other taxation and social security	39,834	42,610
Other creditors	11,193	11,577
Accruals and deferred income	81,156	107,207
	291,828	<i>325,447</i>

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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 MARCH 2022**

19. Creditors: Amounts falling due after more than one year

	2022	<i>2021</i>
	£	£
Bank loans	922,191	<i>1,057,288</i>

Included within the above are amounts falling due as follows:

	2022	<i>2021</i>
	£	£
Between one and two years		
Bank loans	114,634	<i>135,156</i>
Between two and five years		
Bank loans	492,399	<i>398,042</i>
Over five years		
Bank loans	315,158	<i>524,090</i>

The bank loan is secured by a charge over the Charity's freehold property.

20. Prior year adjustments

A prior year adjustment has been made in the year in respect to the 2021 accounts, to recategorise funds from restricted to unrestricted.

As a result the unrestricted funds carried forward from 2021 have increased by £248,134 to £2,707,851, and restricted funds have decreased by £248,134 to £139,798. The overall charity funds have remained the same after the adjustments.

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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 MARCH 2022**

21. Statement of funds

Statement of funds - current year

	Balance at 31 March 2021 £	Income £	Expenditure £	Balance at 30 March 2022 £
Unrestricted funds				
General Fund	2,707,851	2,833,963	(2,892,335)	2,649,479
Restricted funds				
Housing Property Fund	40,865	14,986	(16,381)	39,470
Thanet Community Fund	10,471	15,695	(6,386)	19,780
Sheppey Community Fund	8,799	11,866	(2,384)	18,281
Canterbury Fund	14,196	12,946	(9,458)	17,684
Big Lottery Fund - GOLD	60,802	114,408	(90,844)	84,366
KCC - Children & Youth	6,529	-	-	6,529
Valuing People Now	(2,796)	41,899	(32,488)	6,615
Complex Needs	932	-	-	932
	<u>139,798</u>	<u>211,800</u>	<u>(157,941)</u>	<u>193,657</u>
Total of funds	<u>2,847,649</u>	<u>3,045,763</u>	<u>(3,050,276)</u>	<u>2,843,136</u>

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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 MARCH 2022**

21. Statement of funds (continued)

Statement of funds - prior year

	<i>Balance at 1 March 2020 £</i>	<i>Income £</i>	<i>Expenditure £</i>	<i>As restated Transfers in/out £</i>	<i>As restated Balance at 30 March 2021 £</i>
Unrestricted funds					
General Fund	(1,537)	1,905,988	(2,202,182)	3,005,582	2,707,851
Housing Fund	-	1,127,759	(61,023)	(1,066,736)	-
Isle of Sheppey Merger	-	1,690,712	-	(1,690,712)	-
	<u>(1,537)</u>	<u>4,724,459</u>	<u>(2,263,205)</u>	<u>248,134</u>	<u>2,707,851</u>
Restricted funds					
Housing Property Fund	-	196,305	(3,376)	(152,064)	40,865
Thanet Community Fund	-	12,278	(1,278)	(529)	10,471
Sheppey Community Fund	-	9,561	(763)	1	8,799
Canterbury Fund	-	17,780	(3,638)	54	14,196
Big Lottery Fund - GOLD	-	130,043	(62,274)	(6,967)	60,802
KCC - Children & Youth	-	78,816	(18,322)	(53,965)	6,529
Valuing People Now	-	63,757	(31,888)	(34,665)	(2,796)
Complex Needs	-	931	-	1	932
	<u>-</u>	<u>509,471</u>	<u>(121,539)</u>	<u>(248,134)</u>	<u>139,798</u>
Total of funds	<u><u>(1,537)</u></u>	<u><u>5,233,930</u></u>	<u><u>(2,384,744)</u></u>	<u><u>-</u></u>	<u><u>2,847,649</u></u>

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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 MARCH 2022**

21. Statement of funds (continued)

Unrestricted Fund:

General Fund - represents income and expenditure that has not been deemed as restricted in nature and is not designated for any purpose.

Restricted Funds:

Housing Property Fund - Grants received to assist in the purchase of Backler House and Arkley Road. Amounts released annually to match depreciation charge in proportion to amounts funded by grant.

Thanet Community Fund - Funding specifically for projects within the Thanet community.

Sheppey Community Fund - Funding specifically for projects within the Sheppey community.

Canterbury Fund - Funding specifically for projects within the Canterbury community.

National Lottery Community Fund - GOLD - Funding specifically for Getting On with Learning Disability project.

Kent Valuing People Partnership - Funding specifically to provide local workers and facilitate local presence and community working.

Children & Youth - Funding specifically to provide support for individuals aged between 8 and 26.

Valuing People Now - Funding specifically to improve the lives of people with learning disabilities and their families which is part of the government's three year big plan. It covers all aspects of life, including health, housing, getting a paid job, personalisation, transition, advocacy, hate crime and relationships.

Complex Needs - A service specifically seeking to improve the lives of people with profound and multiple learning difficulties. This can include having severe learning difficulties and other significant difficulties such as physical disabilities, sensory impairment or a severe medical condition.

22. Analysis of net assets between funds

Analysis of net assets between funds - current year

	Unrestricted funds 2022 £	Restricted funds 2022 £	Total funds 2022 £
Tangible fixed assets	2,846,975	170,205	3,017,180
Current assets	1,016,523	23,452	1,039,975
Creditors due within one year	(291,828)	-	(291,828)
Creditors due in more than one year	(922,191)	-	(922,191)
Total	2,649,479	193,657	2,843,136

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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 MARCH 2022**

22. Analysis of net assets between funds (continued)

Analysis of net assets between funds - prior year

	<i>Unrestricted funds 2021 £</i>	<i>As restated Restricted funds 2021 £</i>	<i>Total funds 2021 £</i>
Tangible fixed assets	2,931,751	174,706	3,106,457
Current assets	1,158,835	(34,908)	1,123,927
Creditors due within one year	(325,447)	-	(325,447)
Creditors due in more than one year	(1,057,288)	-	(1,057,288)
Total	<u><u>2,707,851</u></u>	<u><u>139,798</u></u>	<u><u>2,847,649</u></u>

23. Reconciliation of net movement in funds to net cash flow from operating activities

	2022 £	2021 £
Net income/expenditure for the year (as per Statement of Financial Activities)	<u>(4,513)</u>	<u>2,849,186</u>
Adjustments for:		
Depreciation charges	89,277	68,660
Decrease/(increase) in debtors	80,297	(487,379)
Increase/(decrease) in creditors	(168,716)	1,274,334
Interest received	(45)	(20)
Transfer of intangible fixed assets	-	(2,965,468)
Net cash provided by/(used in) operating activities	<u><u>(3,700)</u></u>	<u><u>739,313</u></u>

24. Analysis of cash and cash equivalents

	2022 £	2021 £
Cash in hand	<u>632,893</u>	<u>636,548</u>
Total cash and cash equivalents	<u><u>632,893</u></u>	<u><u>636,548</u></u>

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 MARCH 2022

25. Analysis of changes in net debt

	At 31 March 2021	Cash flows	At 30 March 2022
	£	£	£
Cash at bank and in hand	636,548	(3,655)	632,893
Debt due within 1 year	(133,189)	(4,300)	(137,489)
Debt due after 1 year	(1,057,288)	135,097	(922,191)
	<u>(553,929)</u>	<u>127,142</u>	<u>(426,787)</u>

26. Pension commitments

The Company operates a defined contribution pension scheme. The assets of the scheme are held separately from those of the group in an independently administered fund. The pension cost charge represents contributions payable by the Company to the fund and amounted to £44,185 (2021: £33,453).

As at the year end, £8,269 (2021: £8,264) was payable to the fund at the balance sheet date and are included in creditors.

27. Operating lease commitments

At 30 March 2022 the Company had commitments to make future minimum lease payments under non-cancellable operating leases as follows:

	2022	2021
	£	£
Not later than 1 year	270	270
Later than 1 year and not later than 5 years	1,080	1,080
Later than 5 years	2,970	3,240
	<u>4,320</u>	<u>4,590</u>

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 MARCH 2022

28. Related party transactions

In the prior year accounts, as at 30 June 2020, the net assets and business of the Charitable Trust, East Kent Mencap, were transferred to the Charitable Company. It remains necessary to finalise the procedural aspect of a valuation of the lender-secured properties, additionally certain domiciliary care contracts are being managed by the Charitable Trust on behalf of the Charitable Company pending CQC approval of their novation. However, all assets were from the 30 June 2020 under control of the Charitable Company and therefore in substance the transfer was complete at that date and reflected as such in these financial statements. The transfer of net assets of £3,170,154 was included in Donations. As at the year end, there were no amounts owed to or from the Charitable Trust.

During the year, relatives of some trustees utilised the housing facilities at East Kent Mencap as customers. These transactions were at commercial rate.

29. Post balance sheet events

In March 2022, the Trustees approved the sale of properties in Delamark Road, comprising the Mount and the Olives. These properties were subsequently sold on the 23 June 2022 for £336,000.