

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 2021

EAST KENT MENCAP
(A company limited by guarantee)

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**REFERENCE AND ADMINISTRATIVE DETAILS OF THE COMPANY, ITS TRUSTEES AND ADVISERS
FOR THE YEAR ENDED 30 MARCH 2021**

Trustees	Amy Rutland, Chair Angela Stuart, Trustee Audrey Emmett, Trustee Bridget Crow, Trustee (appointed 28 April 2020) Keith Smith, Trustee (appointed 28 April 2020) Lynda Holding, Trustee (appointed 28 April 2020, resigned 20 August 2020) Amanda Rackley, Trustee (appointed 28 April 2020)
Company registered number	12263702
Charity registered number	1188118
Registered office	Foresters Hall Meeting Street Ramsgate Kent CT11 9RT
Key management personnel	Chief Executive Officer - Jason Gerlack Strategic Operations Manager Adult/ Children Day Services and Projects - Karen Loughrill Strategic Operations Manager Housing & Community - Sue Beaumont
Independent auditor	MHA MacIntyre Hudson Maidstone United Kingdom
Solicitors	Robinson Allfree 17-25 Cavendish Street Ramsgate Kent CT11 9AL 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 2021**

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 2021

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

This is the first financial year that the new Charitable Company is trading following the transfer of net assets and business from the Charitable Trust, Charity number 220798 in June 2020 which was delayed several months due to Covid-19, sadly, due to the extraordinary impact of the pandemic, we are yet to finalise aspects of the process however it is complete in substance..

It should be said that, the year to 30 March 2021 was a year like no other but, for our members with a learning disability, their families, the staff and volunteers who support them it has been a particularly challenging time.

The Trustees / Directors offers their heartfelt sympathy to all who have suffered in this pandemic and, its admiration and sincere thanks to all who have worked tirelessly and selflessly for the benefit of others particularly our members.

Across all our front-line operations, led by our Senior Management Team and our committed staff teams, we were determined to continue to deliver the vital support services, which our members needed during the pandemic; we have been continually adapting and responding to the impact of the Covid-19 pandemic.

From the very beginning of the pandemic and with the lockdown, our Senior Management Team, Communications Team and Support Managers worked on a comprehensive communication strategy to ensure that our Day Services and GOLD (National Lottery Community funded grant) members had access to essentials such food, and medicine we also provided emotional support by phone and email / post. Our Housing and Community teams continued with their essential vital support at home. We delivered shopping, provided a hot meals service and risk assessed welfare checks. Our Human Resources team provided staff with well-being support and weekly staff Newsletters provided the essential communication. Our staff teams were highly innovative and we supported members through live social media chats. Our support did not just include our members but also the wider Community, we found that in April 2020 in one week we were reaching over 5,000 people through Facebook alone. In collaboration with a trained fitness professional, we offered virtual fitness sessions. We also adapted our Day Service support sessions for virtual sessions in drama, art and cooking, as well as music activities and fun engaging activities for our members. Our staff were constantly innovative; activity packs were posted to our members. Staff worked on keeping in touch with those of our members who could not access the internet.

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TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 30 MARCH 2021

We rapidly invested and upgraded our Information Technology systems using a combination of welcome grants and cash reserves. We provided a significant number of members with a tablet to access the innovative Kara service; this was in conjunction with KCC to provide essential support dialogue through group chats and one to one support. We also implemented previously agreed plans to move to cloud based technology. The cloud based technology ensured that our staff not delivering front line services were able to work safely from home.

East Kent Mencap celebrated the contribution their staff were making in October 2020, our wonderful members and families had chance to express their thanks. We were grateful and deeply touched when some of our members fundraised for us, especially one of our members Natalie, after contracting Covid-19, Natalie had to spend some weeks in Intensive Care, she had to learn to walk again and build up her strength. As a focus, she decided to set herself the challenge to walk 39 steps unsupported. Natalie exceeded her goal and raised funds over £3,000 for East Kent Mencap. We are extremely grateful and her story was an inspiration of why this Charity exists. We were also very grateful to our staff who visited and supported Natalie during her stay in hospital.

By Christmas 2020, our Communications team calculated that our staff had directly supported 200 individuals and reached 50,000 via social media platforms. The members produced many videos however; one of the most memorable was the YouTube 'Christmas sing-a-long 2020' where members, directors and staff participated virtually.

Unfortunately, during the Lockdown period, we were required to suspend a number of the services we had previously provided and as previously stated, staff were very innovative and worked hard to provide as much as was possible.

During the initial period of lockdown, based on our planned contractual services the local authority funded us however, as the restrictions continued, this funding ceased. Our operations have been impacted by Covid-19, and this financial affect will be felt for some time. East Kent Mencap have prepared to adapt, respond and rebuild for the future. We have seen some growth in demand for our Day Services however, we are mindful that we are constantly evaluating all our services to ensure we have the flow of funds to secure our safe future for generations to come so that we can provide our vital support to the Community.

We had been concerned that there may be a potential for retrospective payments for sleep-in shifts, however, even though the Supreme Court heard this case in February 2020, its decision was handed down much later, in March 2021. The verdict in the sleep-ins case meant that the Royal Mencap Society (who we are affiliated to) found in their favour and back pay in respect of sleep-in shifts were not required.

We are always hoping that the Government will commit to finding solutions to the issues faced in the support / care sector especially, as we are finding it difficult to recruit staff with the salaries that we can afford to pay, this is now our greatest challenge. However, it is within this difficult environment of unease, compounded by the pandemic that we remain determined to continue to grow and develop our Charity, to offer our vital services to many more individuals in the local and wider Community who need them.

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 are also extremely grateful to our Directors / 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, volunteers and fantastic supporters.

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.

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TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 30 MARCH 2021

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

These activities will be provided by the Charitable Company following the transfer of net assets and business from with the Charitable Trust.

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FOR THE YEAR ENDED 30 MARCH 2021

c. Volunteers

Volunteers are an important part of our team, making a huge difference to the Charity, enabling us to generate funds and offer an enhanced service. Inevitably, the pandemic impacted on their roles, with clubs and activities becoming virtual or having to be postponed. Some volunteers took on virtual challenges or donated online, recognising the huge pressure on the charity to manage its operations in a crisis. We were grateful to those volunteers who were able to offer virtual support, as well as the many people who delivered food and medicines, and made masks and visors. Staff and volunteers also worked closely with Members to help them to become more confident online. As a result our Members Committee, who are all volunteers, have the skills and technology to hold online meetings, and make a valuable contribution to the charity's strategic planning.

The number of volunteers not including Trustees was 11.

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.

We reconfirm our responsibility to ensure that the rights and needs of people with learning disabilities and their families are championed through targeted campaigns. As a Charity we will continue to explore how we fund a new range of services aimed at supporting the people who use our services and those who are turning to us for help.

Despite the pressures caused by the pandemic, we have strengthened our governance structure by fully implementing Members Committees defined within our Governance Structure Organisation Chart. These committees meet monthly and represent all EKM geographical districts and the majority of services. Members play an important and proactive role in evaluating and developing services.

Acquired, in July 2019, the new Day Resource centre in Herne Bay, we experienced strong referrals to evidence that the new project would prove to be successful. Despite the impact of the lockdowns, the resource centre acknowledged increasing referrals which could not be accepted due to rising pressures of Pandemic. As restrictions further eased, so service has strengthened and has proven to be a desirable option for those seeking new options.

We have continued to deliver commissioned contracts, but have experienced the same National recruitment and retention problems. The charity will consider new options during 2022, but have secured a new contract to deliver Children's community support services.

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The designated Day Resource for younger and adult people with complex needs has continued to thrive and will require the addition of additional space to support growing referrals.

- We secured additional grants to provide extended support to children and young people and will pursue additional grants in 2022.
- Continued to promote Valuing People Now in East Kent via the KCC grants.
- Conducted a further review our supported housing model and agreed a replacement strategy which we hope to see implemented by the acquisition of new services in Swale and Thanet in 2022.
- We have prepared for new a new Day Service tender to secure new contracts in March 2022.

In response to the pandemic, the charity escalated a previously agreed strategy to completely modernise our IT systems and move to new methods of operation. These we highly successful and enabled charity to deliver a range of virtual approaches and sessions.

The charity has proactively responded to the pressures of the pandemic and was able to secure early access to the NHS vaccination programme for employees.

Recognising the difficulties many of our Members were experiencing, we worked with the NHS to utilise our Ramsgate Day Resource as a vaccination site to great success.

Fundraising activities

With the transition to the new Charitable Company, the Fundraising Team worked with finance to ensure all funders were informed of our new status and charitable numbers to amend their records. In response to the ongoing pandemic, the fundraising and communications team reviewed its plans for the year and made substantial changes. Planned events were cancelled or changed to virtual activities. All scheduled funding applications had to be reviewed as some Charitable Trusts stopped accepting funding bids in response to the pandemic, and others amended their criteria to reflect the need for crisis funding. Some funding that already been secured was able to be repurposed, in discussion with the funders to meet the immediate needs of the charity, including a grant from the People's Postcode Lottery. We were fortunate to secure several crisis grants, to alleviate the financial pressure, including the Julia and Hans Rausing Trust, the National Community Lottery Fund and Kent Community Foundation. On a local level, we were grateful for the many offers of help from our community, to support the charity through the pandemic, including grants, gifts and messages of support. The fundraising team worked closely with the Communications Officer to ensure our messaging kept funders and supporters informed about changes in services as well as reassured Members that EKM was still operating and doing everything it could to support them.

Fundraising Regulation and Compliance

During 2020-2021 any fundraising was conducted by the EKM 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.

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

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FINANCIAL REVIEW

Investment policy

Investment within the financial markets are not currently 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 its 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 this has been put on hold. In the future we anticipate the sale of two properties in Swale and will the use of financial assets to acquire a newer site for the benefit of our Members.

From the onset of the pandemic East Kent Mencap invested heavily and implemented previously agreed plans to move to cloud based technology. East Kent Mencap invested significantly to enhance digital communications, some of this was achieved due to the generosity of funding through grants. This benefited both our Members and staff and ensured that vital support was delivered to our Members utilising KARA tablets during Pandemic lockdowns. The cloud based technology ensured that our staff not delivering vital front line services were able to work safely from home.

The Investment Strategy Policy was updated during the Financial Year and formally reviewed by the Trustees in February 2020. This was updated but not yet signed off in Summer 2021 although elements were discussed at Directors / Trustees meetings.

The new investment plan takes into account the effects of the Pandemic which had a direct and negative impact on East Kent Mencap's resources. Income had fallen due to individuals either declining support or our support staff being unable to provide support due to the threat of Covid-19 infection. This has resulted in our reserves being depleted but our main priority has always been to operate safely, cash flow has been strictly monitored.

As a result of owning the majority of our property this has helped us in the time of the Pandemic as we have been able to manage our services safely without consulting a third party. We believe the value of the property and land far exceeds the depreciated balance sheet value.

East Kent Mencap has made further significant investments to modernise the Charity, we took the appropriate steps to incorporate the Charity following Members consultation and appraisal and during the Special General Meeting of 16 January 2020. At this meeting it was agreed with the Members to the transfer of all assets and liabilities from the Charitable Trust, East Kent Mencap 220798 to East Kent Mencap Company number 12263702 Registered Charity Number 1188118 and subject to the transfer of all assets and liabilities to acknowledge the Charity shall cease to exist and authorise the Trustees to take all such actions as may be necessary to effect such, including to register the arrangement on the register of Mergers of the Charity Commission. The transfer took place on 30 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. Additionally certain domiciliary care contracts are being managed by the Charitable Trust on behalf of the Charitable Company pending CQC approval of their novation. 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.

Reserves policy

The purpose of the reserves of East Kent Mencap is to secure the future of our services, to fund any projects, to fund future building costs and property purchases for the benefit of our Members. Although property purchases had been put on hold during the pandemic from April 2020.

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Trustees have approved that unrestricted funds which have not been designated for a specific purpose should not be less than £400,000. The aim is that this would cover on-going costs should there be problems with contracts or grants. This will be reviewed annually or as when required in accordance with Charity Commission guidance.

At 30 March 2021, the amount of total funds held by East Kent Mencap was £2,847,649, the unrestricted reserve total was £2,459,717, calculated as unrestricted net assets. There are no designated reserves.

Financial review

As a result of the transfer from the charitable trust, net assets transferred to the Charitable Company of £3,170,154 are included in donations.

The income and expenditure reported is for the 9 month period 1 July 2020 to 30 March 2021. For this 9 month period the income from Charitable Activities was £2,012,601, with donations and fundraising activities (including the transfer) total income was £5,233,930. After expenditure this resulted in a net movement of funds of £2,849,186. The transfer has clouded the results, a deficit would have occurred without the transfer.

East Kent Mencap was grateful to receive local authority grants received during the financial year to help with the costs relating to Covid-19, such as testing and vaccinating employees. During the initial period of lockdown we were funded by the local authority, based on our planned contractual services. However, as the restrictions continued, this funding then ceased.

East Kent Mencap received HMRC Government Grants in respect of the Job Retention Scheme and monies to cover COVID-19 sickness.

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 also our plans to expand our Day Services especially in Herne Bay were severely curtailed. We have seen growth in demand for our Day Services particularly in the Herne Bay Area. We are constantly evaluating all our services, innovating ways and initiatives to save money to ultimately ensure that we make sure we have the flow of funds to secure our safe future for the short and long term.

Significant financial events

The Pandemic has had an enormous impact on the charity's resources, activities and services. This has forced a full review of our strategic and business planning. We postponed the sign off of the Investment Strategy following the Local Authorities delay in posting the new tender for Day Services which is now project for April 2022. It was essential to do so in order to fully project the scope of our business development and identify how best to utilise our reserves and assets.

Whilst the charity has been able to respond and react to financial pressures, some elements of our business, community services, have struggled resulting in deficits. These issues have been closely monitored and supported by various internal investment initiatives. Planning decisions will be concluded in March 2022 which will result in setting new or focussed strategies or directions by June 2022.

EKM participated in a tender to deliver Children's services in April 2021 which has recently (November 2021) as successful. Directors are yet to review the draft contract, but it will be noted that finances offered within the terms are an improvement.

Principal risks and uncertainties

A worrying National pattern emerged in late summer of 2021. The National staffing crisis firmly took hold and, like all service providers, EKM experienced a significant rise in the loss of skilled employees. We continue to work with our colleagues and other providers in order to incentivise our sector. Whilst we have had successes

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FOR THE YEAR ENDED 30 MARCH 2021

within Day Service, Housing and Community services have proved problematic. We anticipate the need to streamline these areas of our business, but also see opportunities by reacting to opportunities created by the growth of virtual support and also our strong track record in Day Provision. This will be reported within our revised Investment and Strategic Plan following the outcome of Tenders.

Being an adaptable organisation, we are adept at reacting to market forces and have sufficient recourses to diversify.

Future Plans

Finalise the procedural aspect of the transfer from the Charitable Trust of the valuation of the lender-secured properties and novation of certain domiciliary care contracts on receipt of CQC approval.

Re-tender for Day Service contracts (March 2022)

Finalise the EKM Investment Strategy and review the Strategic Plan.

Maintain quality and contract compliance

Diversify to become less dependent on statutory income

Replace older housing stock

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

EKM Directors agreed to further invest in our Community and Housing services in December 2021. This model will be implemented and monitored from early 2022. Should we not experience improved recruitment and retention, it will be necessary to review current and future delivery models.

EKM was approached by Ashford Mencap to take the lead in supporting its local Membership. EKM Directors fully supported this approach which will be explored in early 2022.

We anticipate the sale of two properties in Swale and the use of financial assets to acquire a newer site.

We hope to secure a new lease for a two to three bedroom site in Broadstairs which will lead to the sale of an older property in Margate.

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.

TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 30 MARCH 2021

b. Methods of appointment or election of Trustees / Directors

Those who wish to be considered for a post of Trustee / Director with 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.

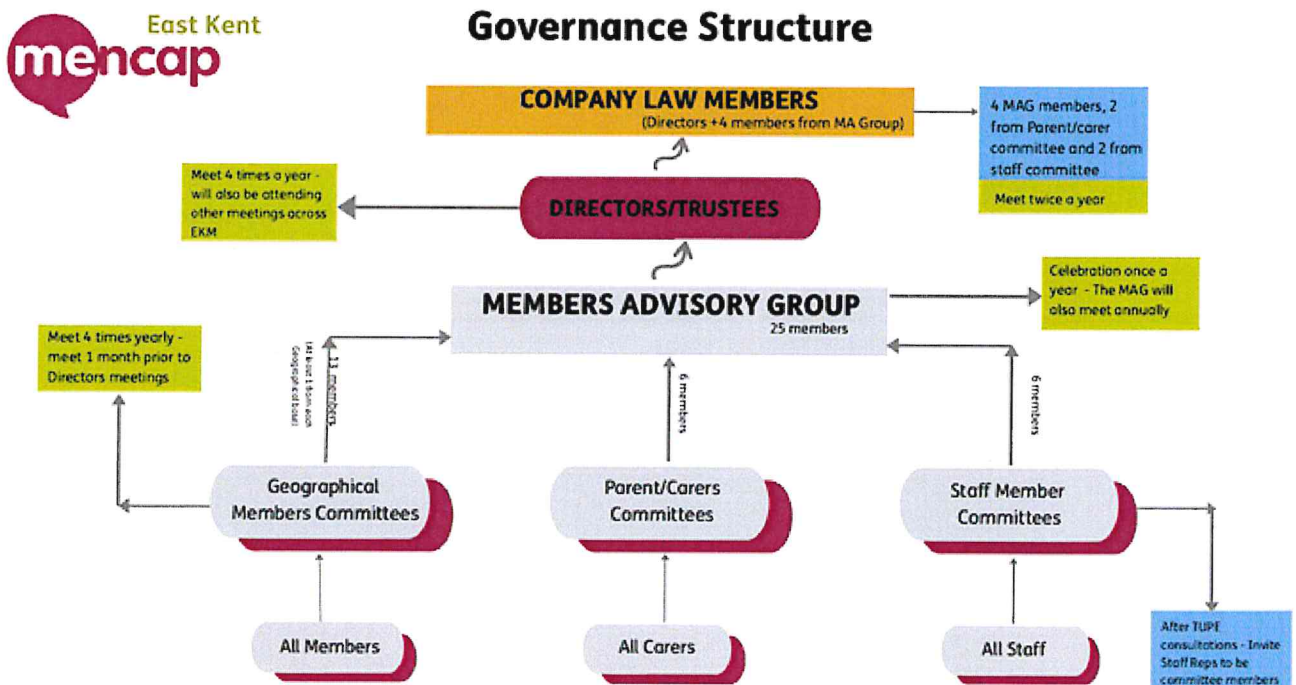
c. Organisational structure

The Charitable Company 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 Charitable Company is further delegated to the Chief Executive Officer (CEO) Jason Gerlack.

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

Regular staff 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.

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FOR THE YEAR ENDED 30 MARCH 2021

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.

Pay Policy for Senior Staff

New Management positions (one within the reporting period) are benchmarked against the sector in order to establish commensurate salaries.

The charity has deployed a competency framework which enables employees to progress in their career and secures increased salaries. The competency framework will be reviewed in 2022 to ensure it remains effective during this challenging period.

Whilst we have recorded strong outcomes in many services, a number have been seriously impacted by the pandemic. A review of our current management structures will probably take place in June 2022.

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 EKM 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 and employment issues.

TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 30 MARCH 2021

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

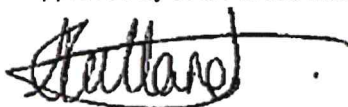
Each of the persons who are Trustees at the time when this Trustees' report is approved has confirmed that:

- 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: 23 February 2022

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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 2021 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 2021 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.

EAST KENT MENCAP
(A company limited by guarantee)

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.

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
Statutory Auditors
Maidstone
United Kingdom

Date: *09 March 2022*

MHA MacIntyre Hudson is eligible for appointment as auditor of the charity by virtue of its eligibility for appointment as auditor of a company under 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 2021**

	Note	Unrestricted funds 2021 £	Restricted funds 2021 £	Total funds 2021 £	Total funds 2020 £
Income from:					
Donations and legacies	4	2,823,206	396,830	3,220,036	-
Charitable activities	5	1,899,960	112,641	2,012,601	-
Other trading activities	8	1,273	-	1,273	-
Investments	9	20	-	20	-
Total income		4,724,459	509,471	5,233,930	-
Expenditure on:					
Raising funds	10	512	-	512	-
Charitable activities	11	2,262,693	121,539	2,384,232	1,537
Total expenditure		2,263,205	121,539	2,384,744	1,537
Net movement in funds		2,461,254	387,932	2,849,186	(1,537)
Reconciliation of funds:					
Total funds brought forward		(1,537)	-	(1,537)	-
Net movement in funds		2,461,254	387,932	2,849,186	(1,537)
Total funds carried forward		2,459,717	387,932	2,847,649	(1,537)

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

The notes on pages 22 to 41 form part of these financial statements.

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

BALANCE SHEET
AS AT 30 MARCH 2021

	Note	2021 £	2020 £
Fixed assets			
Tangible assets	16	3,106,457	192,000
		<u>3,106,457</u>	<u>192,000</u>
Current assets			
Debtors	17	487,379	-
Cash at bank and in hand		636,548	10,163
		<u>1,123,927</u>	<u>10,163</u>
Creditors: amounts falling due within one year	18	(325,447)	(203,700)
Net current assets / (liabilities)		798,480	(193,537)
Creditors: amounts falling due after more than one year	19	(1,057,288)	-
Total net assets		<u>2,847,649</u>	<u>(1,537)</u>
Charity funds			
Restricted funds	20	387,932	-
Unrestricted funds	20	2,459,717	(1,537)
Total funds		<u>2,847,649</u>	<u>(1,537)</u>

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

BALANCE SHEET (CONTINUED)
AS AT 30 MARCH 2021

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: 23 February 2022

The notes on pages 22 to 41 form part of these financial statements.

EAST KENT MENCAP
(A company limited by guarantee)

STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 30 MARCH 2021

	2021 £	2020 £
Cash flows from operating activities		
Net cash used in operating activities	739,313	(37)
	<hr/>	<hr/>
Cash flows from investing activities		
Purchase of tangible fixed assets	(17,649)	(192,000)
Interest received	20	-
	<hr/>	<hr/>
Net cash used in investing activities	(17,629)	(192,000)
	<hr/>	<hr/>
Cash flows from financing activities		
Cash inflows from new borrowing	-	202,200
Repayments of borrowing	(95,299)	-
	<hr/>	<hr/>
Net cash (used in)/provided by financing activities	(95,299)	202,200
	<hr/>	<hr/>
Change in cash and cash equivalents in the year	626,385	10,163
Cash and cash equivalents at the beginning of the year	10,163	-
	<hr/>	<hr/>
Cash and cash equivalents at the end of the year	636,548	10,163
	<hr/> <hr/>	<hr/> <hr/>

The notes on pages 22 to 41 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 2021

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 financial statements have been prepared on a going concern basis. In response to the COVID-19 pandemic, the Trustees have performed a robust analysis of forecast future cash flows taking into account the potential impact on the business of a possible future scenarios arising from the impact of COVID-19. This analysis also considers the effectiveness of available measures to assist in mitigating the impact of COVID-19.

After making appropriate enquiries, the Trustees are satisfied that the Company is able to operate for the foreseeable future. Therefore, they have adopted the going concern basis in preparing these 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.

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.

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

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 MARCH 2021**

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 2021**

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 2021

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.

Critical accounting estimates and assumptions:

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 2021

4. Income from donations and legacies

	Unrestricted funds 2021 £	Restricted funds 2021 £	Total funds 2021 £	<i>Total funds 2020 £</i>
Donations	2,781,610	396,830	3,178,440	-
Government grants	41,596	-	41,596	-
Total 2021	2,823,206	396,830	3,220,036	-
<i>Total 2020</i>	-	-	-	-

At 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 donations above.

Included within government grants above are amounts received from HMRC in relation to £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 2021

5. Income from charitable activities

	Unrestricted funds 2021 £	Restricted funds 2021 £	Total funds 2021 £	<i>Total funds 2020 £</i>
Income from charitable activities	<u>1,899,960</u>	<u>112,641</u>	<u>2,012,601</u>	-

6. Income from charitable activities

	2021 £	2020 £
KCC	1,008,466	-
Housing benefit	404,320	-
Direct payments from members	216,423	-
Grants (note 7)	253,908	-
Transport	2,997	-
Rent from residents	29,477	-
Rent from leased buildings	4,500	-
Local Authority Funding (non KCC)	88,722	-
Other	3,788	-
	<u>2,012,601</u>	<u>-</u>

EAST KENT MENCAP
(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 MARCH 2021**

7. Analysis of grants received

	2021 £	2020 £
Groundwork UK	500	-
National Lottery Community Fund - GOLD	97,780	-
The National Lottery Coronavirus Community Support Fund	28,892	-
KCC - Infection Control Grant	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	10,672	-
Pfizer - Virtual Isolation Club Grant	1,000	-
Sport England Tackling Inequalities Grant	3,399	-
Community Confidence Project Grant	4,200	-
	<u>253,908</u>	<u>-</u>

8. Income from other trading activities

Income from fundraising events

	Unrestricted funds 2021 £	Total funds 2021 £	Total funds 2020 £
Fundraising events	1,207	1,207	-
Social events	66	66	-
Total 2021	<u>1,273</u>	<u>1,273</u>	<u>-</u>

EAST KENT MENCAP
(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 MARCH 2021

9. Investment income

	Unrestricted funds 2021 £	Total funds 2021 £	<i>Total funds 2020 £</i>
Deposit account interest	20	20	-

10. Expenditure on raising funds

Fundraising trading expenses

	Unrestricted funds 2021 £	Total funds 2021 £	<i>Total funds 2020 £</i>
Fundraising event expenses	512	512	-

11. Analysis of expenditure on charitable activities

Summary by fund type

	Unrestricted funds 2021 £	Restricted funds 2021 £	Total funds 2021 £	<i>Total funds 2020 £</i>
Cost of charitable activities	2,262,693	121,539	2,384,232	1,537
<i>Total 2020</i>	1,537	-	1,537	

EAST KENT MENCAP
(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 MARCH 2021**

12. Analysis of expenditure by activities

	Activities undertaken directly 2021 £	Support costs 2021 £	Total funds 2021 £	<i>Total funds 2020 £</i>
Cost of charitable activities	2,367,652	16,580	2,384,232	1,537
<i>Total 2020</i>	37	1,500	1,537	

EAST KENT MENCAP
(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 MARCH 2021

12. Analysis of expenditure by activities (continued)

Analysis of direct costs

	Cost of charitable activities 2021 £	Total funds 2021 £	<i>Total funds 2020 £</i>
Staff costs	1,939,961	1,939,961	-
Depreciation	68,660	68,660	-
Rates and water	11,671	11,671	-
Insurance	19,334	19,334	-
Light and heat	34,703	34,703	-
Telephone, postage & stationery	22,461	22,461	-
Advertising	1,649	1,649	-
Sundries	11,459	11,459	-
Computer expenses	51,363	51,363	-
Tenants share of utilities	11,429	11,429	-
Vehicle & transport costs	33,809	33,809	-
Room hire	7,702	7,702	-
Repairs & renewals	43,598	43,598	-
Cleaning & housing facilities	17,984	17,984	-
Activities	12,817	12,817	-
Training	118	118	-
Professional fees	19,915	19,915	-
Legal fees	12,789	12,789	-
Interest payable and similar charges	43,214	43,214	37
Bad debts	3,016	3,016	-
Total 2021	<u>2,367,652</u>	<u>2,367,652</u>	<u>37</u>
<i>Total 2020</i>	<u>37</u>	<u>37</u>	

EAST KENT MENCAP
(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 MARCH 2021

12. Analysis of expenditure by activities (continued)

Analysis of support costs

	Governance costs 2021 £	Total funds 2021 £	Total funds 2020 £
Auditor's remuneration	16,580	16,580	1,500
<i>Total 2020</i>	<u>1,500</u>	<u>1,500</u>	

13. Auditor's remuneration

	2021 £	2020 £
Fees payable to the Company's auditor for the audit of the Company's annual accounts	10,500	-
Fees payable to the Company's auditor in respect of: All non-audit services not included above	6,080	1,500

EAST KENT MENCAP
(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 MARCH 2021**

14. Staff costs

	2021 £	2020 £
Wages and salaries	1,769,650	-
Social security costs	136,858	-
Contribution to defined contribution pension schemes	33,453	-
	<u>1,939,961</u>	<u>-</u>

In February 2021, a termination payment was paid to an employee totalling £5,615 (2020 - £Nil).

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

	2021 No.	2020 No.
Productive staff	95	-
Administrative staff	26	3
	<u>121</u>	<u>3</u>

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

	2021 No.	2020 No.
In the band £70,001 - £80,000	1	-

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 £157,947 (2020 - £Nil).

15. Trustees' remuneration and expenses

During the year, no Trustees received any remuneration or other benefits (2020 - £NIL).

During the year ended 30 March 2021, no Trustee expenses have been incurred (2020 - £NIL).

EAST KENT MENCAP
(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 MARCH 2021**

16. Tangible fixed assets

	Freehold property £	Motor vehicles £	Fixtures and fittings £	Total £
Cost or valuation				
At 31 March 2020	192,000	-	-	192,000
Additions	-	-	17,649	17,649
Transfer in from charitable trust	3,480,023	14,945	103,569	3,598,537
At 30 March 2021	<u>3,672,023</u>	<u>14,945</u>	<u>121,218</u>	<u>3,808,186</u>
Depreciation				
Charge for the year	56,042	35	12,583	68,660
Transfer in from charitable trust	572,878	14,771	45,420	633,069
At 30 March 2021	<u>628,920</u>	<u>14,806</u>	<u>58,003</u>	<u>701,729</u>
Net book value				
At 30 March 2021	<u>3,043,103</u>	<u>139</u>	<u>63,215</u>	<u>3,106,457</u>
At 30 March 2020	<u>192,000</u>	<u>-</u>	<u>-</u>	<u>192,000</u>

The Trustees consider that the market value of the freehold properties held at 30 March 2021 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.

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.

EAST KENT MENCAP
(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 MARCH 2021**

17. Debtors

	2021 £	2020 £
Due within one year		
Trade debtors	345,080	-
Other debtors	53,327	-
Prepayments and accrued income	88,972	-
	<u>487,379</u>	<u>-</u>

The Trustees have not been granted access by the bank to the account transferred from Isle Of Sheppey Mencap. Whilst they are confident this will be processed shortly, at the balance sheet the bank account is consequently insufficiently liquid to be classified as a Cash and Cash Equivalent and the balance of £53,327 has been categorised instead within other debtors as a current asset.

18. Creditors: Amounts falling due within one year

	2021 £	2020 £
Bank loans	133,189	-
Trade creditors	30,864	-
Other taxation and social security	42,610	-
Pension fund loan payable	8,264	-
Other creditors	3,313	202,200
Accruals and deferred income	107,207	1,500
	<u>325,447</u>	<u>203,700</u>

EAST KENT MENCAP
(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 MARCH 2021

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

	2021 £	2020 £
Bank loans	<u>1,057,288</u>	<u>-</u>

Included within the above are amounts falling due as follows:

	2021 £	2020 £
Between one and two years		
Bank loans	<u>135,156</u>	<u>-</u>
Between two and five years		
Bank loans	<u>398,042</u>	<u>-</u>
Over five years		
Bank loans	<u>524,090</u>	<u>-</u>

Included in the above loans, are Lloyds bank loans of the outstanding amount payable of £1,190,477 as at 30 March 2021 which holds a charge over the Charity's freehold property to secure the bank loans.

EAST KENT MENCAP
(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 MARCH 2021

20. Statement of funds

Statement of funds - current year

	Balance at 30 March 2020 £	Income £	Expenditure £	Transfers in/out £	Balance at 30 March 2021 £
Unrestricted funds					
General Fund	(1,537)	1,905,988	(2,202,182)	2,757,448	2,459,717
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>-</u>	<u>2,459,717</u>
Restricted funds					
Housing Property Fund	-	196,305	(3,376)	-	192,929
Thanet Community Fund	-	12,278	(1,278)	-	11,000
Sheppey Community Fund	-	9,561	(763)	-	8,798
Canterbury Fund	-	17,780	(3,638)	-	14,142
Big Lottery Fund - GOLD	-	130,043	(62,274)	-	67,769
KCC - Children & Youth	-	78,816	(18,322)	-	60,494
Valuing People Now	-	63,757	(31,888)	-	31,869
Complex Needs	-	931	-	-	931
	<u>-</u>	<u>509,471</u>	<u>(121,539)</u>	<u>-</u>	<u>387,932</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>

EAST KENT MENCAP
(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 MARCH 2021**

20. Statement of funds (continued)

Statement of funds - prior year

	<i>Income</i>	<i>Expenditure</i>	<i>Balance at</i>
	<i>£</i>	<i>£</i>	<i>30 March</i>
			<i>2020</i>
			<i>£</i>
Unrestricted funds			
General Fund	-	(1,537)	(1,537)
	<u> </u>	<u> </u>	<u> </u>

Unrestricted Fund:

Housing Fund - represents income accumulated relating to the accommodation occupied by clients.

Isle of Sheppey Society - Isle of Sheppey Society on 28 March 2019 transferred its business and net assets into East Kent Mencap of £1,636,298.

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.

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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 MARCH 2021**

21. Analysis of net assets between funds

Analysis of net assets between funds - current year

	Unrestricted funds 2021 £	Restricted funds 2021 £	Total funds 2021 £
Tangible fixed assets	2,931,751	174,706	3,106,457
Current assets	910,701	213,226	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	2,459,717	387,932	2,847,649

Analysis of net assets between funds - prior year

	<i>Unrestricted funds 2020 £</i>	<i>Total funds 2020 £</i>
Tangible fixed assets	192,000	192,000
Current assets	10,163	10,163
Creditors due within one year	(203,700)	(203,700)
Total	(1,537)	(1,537)

EAST KENT MENCAP
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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 MARCH 2021

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

	2021 £	2020 £
Net income/expenditure for the year (as per Statement of Financial Activities)	2,849,186	(1,537)
Adjustments for:		
Depreciation charges	68,660	-
Interest received	(20)	-
Increase in debtors	(487,379)	-
Increase in creditors	1,274,334	1,500
Transfer of tangible fixed assets	(2,965,468)	-
Net cash provided by/(used in) operating activities	739,313	(37)

23. Analysis of cash and cash equivalents

	2021 £	2020 £
Cash in hand	636,548	10,163
Total cash and cash equivalents	636,548	10,163

24. Analysis of changes in net debt

	At 30 March 2020 £	Cash flows £	At 30 March 2021 £
Cash at bank and in hand	10,163	626,385	636,548
Debt due within 1 year	-	(141,453)	(141,453)
Debt due after 1 year	-	(1,057,288)	(1,057,288)
	10,163	(572,356)	(562,193)

EAST KENT MENCAP
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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 MARCH 2021**

25. 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 £33,453.

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

26. Operating lease commitments

At 30 March 2021 the Company had commitments to make future minimum lease payments under non-cancellable operating leases as follows:

	2021 £	2020 £
Not later than 1 year	270	-
Later than 1 year and not later than 5 years	1,080	-
Later than 5 years	3,240	-
	<u>4,590</u>	<u>-</u>

27. Related party transactions

On 30 June 2020, the net assets and business of the Charitable Trust, East Kent Mencap, was 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 is complete and reflected as such in these financial statements. The transfer of net assets of £3,170,154 is 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.