

Company Number 04332965

Charity Number 1091809



Leeds Mencap

(A Company Limited by Guarantee)

Annual Report and Financial Statements

For the year ended 30 September 2020



Leeds Mencap

Contents

	Page
Charity Information.....	1
Report of the Trustees	2
Independent Auditor's Report	18
Statement of Financial Activities	22
Balance Sheet	23
Statement of Cash Flows	24
Notes to the Financial Statements	25

Leeds Mencap

Charity Information

Trustees	M Staniforth	Chair	(resigned 21 April 2020)
	E Ryder	Chair Designate	(appointed 6 November 2019; resigned 20 May 2020)
	T Burt		
	D Clayton		
	S Lenehan		
	A Van Der Wert		(resigned 10 March 2021)
	S Clarke		(appointed 29 March 2021)
	H Cohen		(appointed 29 March 2021)
	L Hewson		(appointed 29 March 2021)
	C Murray		(appointed 29 March 2021)

Chief Executive Officer Cath Lee

Charity number 1091809

Company number 04332965

Principal and registered office 20 Vinery Terrace
Leeds
LS9 9LU

Auditors Garbutt & Elliott Audit Limited
Chartered Accountants and Statutory Auditors
33 Park Place
Leeds
LS1 2RY

Bankers Barclay Bank plc
Barclays Business Centre
Leeds
LS1 1PA

Leeds Mencap

Report of the trustees for the year ended 30 September 2020

The trustees are pleased to present their annual report together with the financial statements of the charity for the year ended 30 September 2020 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.

Objectives and principal activities

The objectives of the charity during this period were:

- To aid people with a learning disability in particular by the provision of help and support for them and for their families/carers, and dependants.
- To provide or assist in the provision of facilities for learning and leisure for persons with learning difficulties to improve their quality of life.
- To provide respite for parents, carers and dependants.

In meeting these objectives for the public benefit, our aims, are to:

- Support parents and carers to better understand their child's needs, to help them know where to go to get the support they need and to have the knowledge and confidence in their ability to meet their child and their family's needs.
- Support parents and carers to feel less isolated and to meet other families, improving their emotional and mental wellbeing.

We deliver these aims through our family support service including

- Four parent/carer support groups – three for parents whose child is aged 0 – 3 and attends the specialist playroom (Hawthorn Playroom), one for parents whose child is aged 6 – 25. Attending the group helps parents to build a support network of people who share their experience. Many form lifelong friendships. The groups give parents the chance of a break and some respite.
- Family Support workers who provide information and can signpost parents and carers to other services across Leeds. The workers support individual families with particular issues they are facing eg. providing practical support with form-filling, understanding assessment processes and coordinating with medical, educational or other practitioners who are involved with the family.
- Working in partnership to deliver opportunities for parents and carers to develop their skills, understanding and confidence to meet their child's needs through information sessions, training, parent support programmes.

Leeds Mencap

Report of the trustees for the year ended 30 September 2020 (continued)

- Give young children with learning disabilities the best start in life.

We deliver this aim through

- the provision of specialist intensive developmental play sessions in our specialist playroom (Hawthorn Playroom) and through our delivery of high quality childcare in our mainstream community nursery (Jimbo's Community Nursery).
 - Hawthorn Playroom caters for children aged 0 – 3 with learning disabilities, autism or other developmental delay. The playroom provides the children with structured learning in a fun and safe environment. The first three years of any child's life are crucial for their development and children with learning disabilities are no exception. The playroom lays the foundations for the children to enter mainstream or specialist education having had the opportunity to develop their abilities and potential in the same way as any other child.
 - Jimbo's Community Nursery is based in one of the most deprived wards of Leeds and we have found in the 5 years since we opened that we see a higher number of children than average who have delays in their development and barriers to their learning. We have been able to identify these issues early and start the process of getting the children and their families the additional help and support they need to enable them to make the most of the early years play and education available to them.
- Give children with learning disabilities and their brothers and sisters opportunities to build skills, abilities and confidence, to make friends, socialise and to feel less isolated.

We deliver this aim through:

- the provision of activity clubs for different age groups (9 – 13, 14 – 18, 18 – 25yrs) during school term times and playschemes during school holidays. Activities are structured to help young people develop skills and abilities appropriate to their age eg. A focus on concentration and turn taking in the younger groups supports learning at school, a focus on relationships and being safe on social media supports social development and transition to becoming an adult in the older groups. Activities are varied and led by the choices and interests of the group members who get to try new things and develop their confidence. For a group of people who are often socially isolated the clubs and activities is the only time they take part in an activity with their peers and the groups help young people build confidence around social situations and feel included. They also have opportunities to develop skills and confidence through new challenges and experiences.
- Our club for siblings allows the children to explore what it means to them to have a brother or sister with a learning disability. They meet other children who share similar experiences, have a chance to have time for themselves and develop relationships that support good mental and emotional health.

Leeds Mencap

Report of the trustees for the year ended 30 September 2020 (continued)

- The clubs and holiday activities give the opportunity for parents and carers to have a break. These services remain in high demand.
- Provide high quality facilities and space for people with and without learning disabilities to use and bring communities together

We deliver this through:

- offering specialist facilities (Changing Places toilet, sensory room, soft play room, outdoor play area and equipment) and multi-functional rooms to other organisations that support people with learning disabilities and groups that need space for a variety of activities. The Vinery Centre has become well known for being welcoming and flexible.

During this period our focus was to continue the work we began in 2018/19 to implement a 2 year strategy to address underlying financial issues and achieve sustainability in our operational model.

The aim of our strategy for 2019 - 2021 was:

“To be providing our Charitable Services to our beneficiaries in a sustainable way within two years, with our flagship premises, the Vinery Centre, at the heart of everything we do”.

In the period the Trustees had decided to follow a two-track strategy although the two tracks were not intended to be mutually exclusive:

Track one - Continue work to improve our financial position to a position of sustainability.

Track two - Explore opportunities for partnership working at both operational and strategic levels with a view to potentially share or save costs, open up new income streams or funding opportunities. This work includes exploring any opportunities to merge with one or more organisations.

Fundamental to both pathways in the strategy has been to consider whether our stated charitable objects still reflect the scope of the work and the support to families we have been providing. During the reporting period Trustees reviewed and updated the charitable objects of the organisation along with updating the Articles of Association. This process was completed after the end of the reporting period with the revised articles being adopted by members in February 2021.

Performance and Achievements - A year of two halves

2019/20 ended as a year with two distinct periods to review – pre-pandemic and then the first 6 months of the pandemic which encompassed the first national lockdown and initial easing of restrictions over the summer.

Leeds Mencap

Report of the trustees for the year ended 30 September 2020 (continued)

Pre-pandemic (October 2019 – March 2020)

During the first half of the year we made good progress with work to improve our financial position and develop a more sustainable operating model.

- Fundraising performance improved, in particular from Trusts and Foundations and in the first 6 months of the year fundraising income was ahead of budget. The new fundraising team structure, recommended in the external review of our fundraising capability during 2018/19, had begun to settle in but unfortunately we then experienced changes in staffing which resulted in reduced capacity which hampered efforts to build on this strong start to the year.
- Room hire income also performed ahead of budget in the first half of the year due, in part, to an increase in prices introduced in the previous reporting period.
- Good progress was made with developing a programme of induction, training, support and development for student placements and volunteers for 2020 and we anticipated that this would increase our capacity across the organisation but particularly for our holiday playschemes and in the nursery. Unfortunately we were not able to benefit from this development due to the onset of the pandemic.
- We had been successful in recruiting a new Chair towards the end of the previous reporting period. From October 2019 to end March 2020 the Chair and Chair designate worked alongside each other to effect a smooth transition.
- We developed a marketing strategy with the purpose of increasing our supporter base and driving an increase in donations. The strategy included plans for a redesign of the website and social media campaign to raise awareness both of which were implemented in the second half of the year.
- We reviewed and consulted staff on the model of delivery for the specialist playroom. This informed further redesign work and resulted in the development of a questionnaire to support consultation with parents and professionals towards the end of the reporting period.
- We explored partnership working with Family Action resulting in a closer working relationship and possibilities for future joint work. We also began exploration of partnership/potential merger opportunities with two organisations.
- The Trustees began a review of our Articles of Association and drafted new charitable objects.

Alongside this sustainability work we continued to deliver our core services resulting in 338 people benefiting from our services directly between October 2019 and March 2020.

- Supported 33 children aged 0 – 3 in the specialist playroom.
- Delivered tailored one to one advice, support and guidance to 118 families.

Leeds Mencap

Report of the trustees for the year ended 30 September 2020 (continued)

- Ran parent and carer support groups that helped 46 families feel less isolated and get valuable information and support from peers.
- Completed the evaluation of a parenting support programme in partnership with Royal Mencap Society and The Tizard Centre.
- Ran youth clubs and activities for 65 children and young people aged 9 - 25 with a learning disability
- Ran holiday playschemes in the school half term holidays for 62 children aged between 4 and 18.
- Supported 14 children and young people who have a brother or sister with a learning disability

A further 162 children benefited from attending the mainstream nursery

Our Childcare Manager was selected to attend EYPDP (Early Years Personal Development Programme) a national government programme, and then act as a mentor to implement the learning to improve children's communication language, literacy and mathematic skills across the setting and to other settings.

3,765 people visited the Vinery Centre of which 30% of the people using the centre have a learning disability or support someone with a learning disability.

Pandemic - first 6 months (April 2020 – September 2020)

The second half of the year was dominated by the pandemic and the need to respond at short notice to changing government guidance. As a provider of childcare our community nursery remained open for keyworker children and vulnerable children whilst, at least initially, face to face services and office functions changed to remote working.

Services

The majority of the support we provide to children and young people with learning disabilities and their families is delivered face to face from our centre. During the first national lock down the guidance did not make exceptions for support groups and so all our support needed to be provided remotely by phone, email or video call.

From April until the easing of restrictions in July, families described how the support they usually had fell away overnight. Children were not going to school and there were disapplications of the requirements for schools in relation to the education they needed to provide for children with EHCPs. Parents reported that important medical and therapeutic appointments were cancelled. In response, the core support we provided to families was emotional support and a listening ear for the parents and activities for the parents to do at home with their children. We provided online activities and resources, links to websites and videos. We were successful in getting some additional funding to provide activity packs eg. Sensory dough packs, ping pong equipment, gardening packs. We were able to deliver these in person doing door step visits that were warmly welcomed.

Leeds Mencap

Report of the trustees for the year ended 30 September 2020 (continued)

We made 921 calls to parents, sent 210 activity emails and delivered 126 activity packs.

From July we were able to plan for the re-opening of our face to face services on a reduced basis to ensure we were operating in a safe manner. We ran holiday activity sessions for 2.5 hours for small groups of children who were put into 'bubbles' that they remained within for the whole summer. We were able to run some play sessions for the families we supported with very young children over the summer. We also continued to provide activity packs, emotional support by phone and some activities by zoom eg. Quiz night, bingo, talent show.

During this phase 76 children attended summer activity sessions giving their parents a break.

We delivered 92 activity packs.

We conducted a survey to find out about the families' experience and what we could learn to be able to better meet the needs of families in the future. We learned that the majority of children and their parents faced severe difficulties and challenges during the lockdown

76% reported experiencing worse mental/emotional health

35% reported being financially worse off

75% reported that their child has become more anxious

88% reported that their child has become more isolated

70% found the phone calls helpful

59% found the activity packs useful

For the future we learned that whilst face to face services remained the preference for the majority of families, the additional support provided and the wider range of ways to access support was welcomed along with the different types of support and activity.

Nursery

The nursery remained open throughout the national lockdown for key worker children and vulnerable children and then increased the number of children according to the priority groups defined by the government and within the guidance for group sizes and space from June onwards.

We continued to support the children's learning at home by providing activity packs and by the key workers keeping in touch by phone with families. The majority of the families whose children attend the nursery are on low incomes and so we supported families with food parcels both during term time and throughout the school holidays.

We provided 817 food parcels.

Leeds Mencap

Report of the trustees for the year ended 30 September 2020 (continued)

We were extremely grateful to our funders during this period who were supportive and understanding of our need to be flexible in the way we supported people and the way we used our staff time and resources. We were also extremely grateful to staff who showed great commitment in providing support to families during such a challenging time. Everyone went over and above what could be reasonably expected.

Community Hub project

Early in the pandemic, as the first national lock down was being put into place, we were approached by Leeds City Council to see if we would be able to be involved in a pan-Leeds partnership project to provide emergency support to people who were shielding or who needed to self-isolate. Our role within the project (Community Cares Volunteering) was to act as a lead partner and 'Hub' to coordinate volunteers between 12 partner agencies in the two wards within which our Centre (The Vinery Centre) is based. As staff were committed to do what they could to support our community and would otherwise have been furloughed due to the closure of our room hire activity we were able to be involved. Over the course of the 6 months the partnership grew in strength resulting in a successful bid to the National Lottery Community Fund to continue the work until end February 2021.

We would not have been able to take part had we not had flexible and talented staff who were willing to get involved and run with the project. We were able to recruit some fantastic new volunteers, as well as our own committed volunteers to support the project.

Recovery strategy review and financial forecast

Leeds Mencap have benefited from a range of Covid-19 support available to businesses:

- We were able to furlough some staff in the nursery whose salaries were funded by fee paying parents, and staff who needed to shield or who were classed as vulnerable.
- We received £25,000 via the local authority in Retail Hospitality and Leisure grant and the business rates for the 2020/21 fiscal year were fully relieved, over and above the usual 80% charity relief, saving of £2,325 to our 2019/20 accounts.

Nonetheless this support masked the severity of the income loss during the first 6 months of the pandemic. Room hire income stopped completely, private nursery fees dropped by 64%, fundraising income from events, corporate and community partnerships was also lost.

In the context of this the Trustees decided to review the recovery strategy we had been implementing in the light of two main factors:

Leeds Mencap

Report of the trustees for the year ended 30 September 2020 (continued)

- Income projections showing our reserves would be reduced to the designated backstop fund by spring 2022.
- The need to make online and remote delivery of support a permanent feature of how we fulfil our aims and objectives to give more flexible access to support for those who cannot take up face to face services and also to enable us to reach more people in a more cost-effective way.

The strategy review and financial forecasting resulted in three main workstreams that became priority for the last quarter of the reporting period and continue across into the year 2020/21.

Cost reduction plans – the forecasts show that although the good start to the year and the Covid-19 financial support received mitigates the impact of the income loss, the underlying financial position is worse. Without actively reducing costs in the first half of 2020/21 we could risk going concern issues in 2021/22. We plan to reduce costs through a range of staff related changes including some limited restructuring in services.

Service redesign – we are consulting on new models of delivery for both the specialist learning disability playroom services and the family support service with the aim of extending reach and responding to more flexible and current ways of delivering services, reducing cost and increasing the options for income generation and fundraising.

Medium-long term strategy development – having revised our Articles of Association and broadened our charitable objects we now need to develop a strategy to give focus and direction to the second half of 2020/21 and for the subsequent 2 years to September 2023.

Whilst the last 6 months of the reporting period were uncommonly challenging and uncertain we finished the year with a strong sense of fulfilment and pride in the work we have done to support both children and young people with learning disabilities and their families and people in our local community and more widely in Leeds.

Changes to the Board

During the first half of the year the outgoing Chair and Chair designate worked alongside each other to effect a smooth handover. At the AGM in April our outgoing Chair, Martin Staniforth, stood down and Ed Ryder, who had been Chair Designate since November, was appointed to the role.

Martin Staniforth had been Chair of Leeds Mencap for 10 years. During that time he had supported and led the organisation through a number of key changes. He led the organisation and supported staff to keep services running in the challenging time following the death of the CEO and the recruitment of the current CEO. Martin's main achievement is leading the charity through the transformation required to successfully take on and complete the project to build The Vinery Centre

Leeds Mencap

Report of the trustees for the year ended 30 September 2020 (continued)

giving the foundation for future growth and development. Challenging in a different way, Martin led us through the difficult decision to close the Rookery but saw the benefits that came as a result for the residents who are thriving with more independence in the supported living accommodation they moved into, and placed the organisation on a firm financial footing from which to address the underlying issue of sustainability. Unfortunately we were not able to celebrate Martin's time at Leeds Mencap in person but we will always be indebted to him for his commitment and unstinting support and will look forward to acknowledging his achievements and thanking him in person as soon as we can.

Ed Ryder, the new Chair, unfortunately resigned the following month due to changes in his circumstances. The remaining trustees decided that it would be difficult to recruit a new Chair during the pandemic as so much was uncertain and in transition. The Vice-Chair agreed to chair the trustee meetings for the foreseeable future and all trustees took responsibility for specific areas of work on which to provide support to the CEO and staff team. The trustees decided to revisit the skills audit and carry out a recruitment exercise to build the Board initially with the aim of one of the trustees taking on the role of Chair in 2021 when the impact of the pandemic would be clearer. If any of the trustees do not wish to take on the role, then an external recruitment exercise will be undertaken. At the end of the reporting period we had six potential new trustees who had expressed an interest in joining Leeds Mencap. Four will be appointed in March 2021.

Public Benefit

The trustees recognise their duties under the Charities Act 2011 and have referred to the Charity Commission's guidance on public benefit when planning and reviewing Leeds Mencap's activities.

In particular during the reporting period the Trustees reviewed the Articles of Association and sought permission from the Charity Commission to change the charitable objects. They paid due regard to ensuring the purposes of the charity remain for the public benefit in particular, but not exclusively, for the benefit of children and young people with learning disabilities and their families and sought advice from a charity law professional.

The revised and updated charitable objects, approved by the Charity Commission in December 2020, are:

The Objects are specifically restricted to such purposes which are exclusively charitable under the laws of England and Wales as the directors shall in their absolute discretion determine, including (but not limited to):

- (1) the relief of those in need by reason of youth, age, ill-health, disability, financial hardship or other disadvantage, in particular but not exclusively children and young people up to the age of 25 with a learning disability, and their families and carers;
- (2) providing or assisting in the provision of facilities in the interests of social

Leeds Mencap

Report of the trustees for the year ended 30 September 2020 (continued)

welfare for recreation or other leisure time occupation of individuals who have need of such facilities by reason of their youth, age, ill-health or disability, financial hardship or social circumstances with the object of improving their conditions of life;

(3) to advance the education of children by providing learning facilities, in particular but not exclusively through the provision of a nursery and a before and after school and holiday club; and

(4) to advance the education of the wider public in relation to learning disabilities.

Fundraising

Fundraising is essential for Leeds Mencap's income, to which end a small fundraising team is employed. Funds are raised from charitable trusts, from local businesses and other corporates and from the community.

In the reporting period, the largest fundraised contribution continued to be from applications to grant giving trusts and charities. We have continued to develop our relationships with local businesses and have been supported through gifts of time, and in kind, as well as by financial donations. This area of fundraising has been badly affected, along with community fundraising and events by the pandemic.

We have tried to increase the number of individual supporters through a marketing and digital fundraising campaign. Whilst the number of people engaging with our social media channels has increased, the number who have converted their engagement to donations is relatively low at this stage. We recognise the importance of maintaining long-term relationships with all our supporters. We currently do not organise our own challenge events but do promote events, such as runs, organised by other organisations in which supporters can participate to raise funds on our behalf.

We do not use third parties in our fundraising, nor do we cold call. We are registered with the Fundraising Regulator and seek to apply the highest ethical standards to all our fundraising. No fundraising complaints were received in the period.

We are immensely grateful for the generosity and commitment of all our supporters.

Volunteers

Many volunteers gave up their time to help us, for example, supporting young people with learning disabilities in the youth clubs and playschemes, helping with fundraising, and helping with reception duties. We are greatly indebted to them for their commitment and support. We are also immensely grateful to all the volunteers who came forward during the pandemic and have worked as part of the

Leeds Mencap

Report of the trustees for the year ended 30 September 2020 (continued)

Community Hub Project to ensure people in the local community have received the support they need.

Structure, Governance and Management

Governing document

The organisation is a charitable company limited by guarantee and is governed by Articles of Association. The Articles of Association were reviewed and revised during the reporting period and have been approved by the Charity Commission, adopted by the Members and filed at Companies House after the year end in February 2021.

Membership

Under the Articles of Association current during the reporting period, Membership has been open to all individuals who share the charity's aims and each member has undertaken to contribute such amount not exceeding £1 as may be required in the event of the company being wound up while they are members or within one year after they cease to be members. Associate membership has been available for service users but carries no voting rights and no financial commitment in the event of the company being wound up. Under the revised Articles of Association (2020/21 onwards), the Trustees will be the only Members of the charity.

Executive committee

Under the Articles of Association current during the reporting period, the executive committee, which consists of up to 12 members, comprises the directors of the company who are also charity trustees for the purposes of charity law. They are set out on page 1. All directors are volunteers and are not remunerated for their services. Directors are drawn from a variety of backgrounds and include relatives of service users and all are DBS checked at the enhanced level. At the end of each Annual General Meeting one third of members (or the number nearest to one third) of the Executive Committee retire, by rotation, from office but they can be re-elected or re-appointed. There is currently no fixed number of terms that the members can serve. New executive committee members are given an induction pack and are invited to attend a short induction meeting where they are given an overview of the work of the charity and their duties and responsibilities are clarified. Further training for executive committee members is arranged as appropriate. Committee members sign up to a Code of Conduct setting out the standards and commitments expected of them.

The executive committee meets on a regular basis throughout the year, currently every 6 weeks, and is responsible for setting the charity's strategic goals, budgets and operational policies and procedures.

Leeds Mencap

Report of the trustees for the year ended 30 September 2020 (continued)

Organisational structure

Under the Articles of Association current during the reporting period, the charity operates a governance and management model with day-to-day decisions delegated to the chief executive officer and in turn the managers of each department. The executive committee delegates the line management of the chief executive officer to one of its members, usually the chair. The committee may delegate any of their powers to committees which must contain at least three members, the majority of whom must be members of the executive committee. Such committees are fully answerable to the executive committee.

President

Joyce Fieldhouse, a founding member of Leeds Mencap, remained the charity's President during 2019/20.

Affiliations

Leeds Mencap is affiliated to Royal Mencap Society and has a written partnership agreement and licence to operate under the Mencap brand. The requirements of affiliation are to work according to the values of Royal Mencap Society and to work in a constructive way as a member of the wider network of local Mencap groups to support people with learning disabilities.

Risk Management

The executive committee monitors the major risk areas including constitutional, financial, operational, reputational and external risks. The risk register is reviewed on a quarterly basis. We aim to spread the risk associated with income by developing a range of income sources. We are currently funded through a combination of contracted work, funding from individuals, charitable trusts and companies, fundraising events and other income generation activities and continue to look to increase the number of sources of income. Strong financial controls are in place.

Key risks include:

Safeguarding – As an organisation working with children, young people and adults at risk, trustees prioritise scrutiny of practice around safeguarding. Trustees receive reports on any incidents as a standing item at their meetings. The trustee safeguarding lead has regular meetings with the designated safeguarding lead (CEO) and, as appropriate, other named people for safeguarding. Officers complete a self-evaluation exercise against West Yorkshire safeguarding protocols leading to an action plan for improvement which is shared with the lead trustee for safeguarding. Safer recruitment is practised, all staff and volunteers have appropriate DBS checks, staff induction includes briefing on safeguarding policy and

Leeds Mencap

Report of the trustees for the year ended 30 September 2020 (continued)

procedures, staff and volunteers attend safeguarding training. The Executive Committee considers a review of safeguarding practice on an annual basis.

Compliance – Leeds Mencap’s work is regulated by a number of bodies including the Charity Commission, Companies House, Information Commissioner and Ofsted. Regulation by CQC ended with the closure of the residential home on 30 October 2019. Trustees ensure compliance with regulatory requirements through commissioning specialist advice when appropriate e.g. tax advice and employment law advice, quarterly monitoring through management reporting, and annual audits by external bodies for example on health and safety.

Liquidity – The trustees consider a cashflow forecast on a quarterly basis and work to an annual budget against which performance is reviewed monthly. Credit control management is also considered on a monthly basis by management and quarterly by trustees through management reporting.

Executive Remuneration

The directors consider that the directors, who are the charity’s trustees, and the senior management team comprise the key management personnel of the charity. Details of directors’ expenses and related party transactions are disclosed in note 11 to the financial statements. Remuneration for key management roles is benchmarked with other local organisations of a similar size. The executive committee approve an annual uplift based upon the financial outlook for the next financial year.

Financial Review

Summary

Income for the year was £992,570 (2019: £1,372,225), which represents a decrease of 27.67%. Expenditure for the year was £1,043,623 (2019: £1,563,940) which represents a decrease of 33.27%. To be more comparable, however, the exceptional items of expenditure in 2019 should be excluded reducing the decrease in expenditure to 27.74%. The principal reason for the reduction in both income and expenditure was the closure of the residential care service, with the sale of the Rookery in October, that caused a loss in turnover of approximately £430k.

The outcome for the year was an overall deficit of £51,053 (2019: £191,715, including exceptional expenditure) or 5.14% of income (2019: 5.24%, excluding exceptional expenditure). Although in proportionate terms the result was only very marginally better than in 2019, this is without recognising the impact of Covid-19 in the second half of the year; indications at the end of the second quarter were that the annual deficit would have been significantly reduced, if not eliminated.

On the other hand, the result for the year would have been very much worse without £103k in Covid-related income: £61k in government support through the

Leeds Mencap

Report of the trustees for the year ended 30 September 2020 (continued)

Coronavirus Job Retention Scheme, the Retail Leisure and Hospitality grant, and fully relieved business rates; and £42k raised in grants from the local authority and charitable trusts either for Covid relief work or to help charities and their services survive the pandemic.

As anticipated the cash position improved during the year with the planned disposal of one of the charity's assets (The Rookery). Net current assets at 30 September had increased by £563,987 over the year and the closing cash balance was £540,575. The trustees assess that this will provide time both to recover from the impact of the Covid-19 pandemic and to implement the strategy to deliver a sustainable long-term future.

Principal funding sources

The charity's principal funders in the period were Leeds City Council (Shortbreaks Partnership) for the playschemes, and youth clubs and a number of charities and trusts. The largest charitable funders were Comic Relief, Children in Need, the National Lottery and the Garfield Weston Foundation. 36 other trusts and foundations (detailed in note 2), and a number of companies and individuals also provided essential grants and donations towards services and equipment. Jimbo's community nursery received significant Free Early Education Entitlement funding via Leeds City Council in addition to private fees.

Investment Policy

As at 30 September 2020 the charity's net current assets were £441,355. The trustees consider that these funds should, at the present time, be readily accessible in order to meet any shortfall in working capital requirements that may arise whilst we achieve sustainability.

Reserves policy

As at 30 September 2020 the charity had total funds of £2,007,723, all of which was unrestricted. Free reserves were £191,355 after excluding tangible fixed assets and allowing for resources designated as the backstop contingency reserve and the secured loan. The long term liability of the loan represents 17.5% of the carrying value of the land and buildings of the Vinery Centre, against which it is secured and designated.

The trustees have reviewed the reserves policy in the context of the financial challenges experienced during the year and yet to be faced over the next two years as the strategy to achieve a sustainable future is implemented, and the charity, together with the wider economy, recovers from Covid-19. The trustees have resolved to maintain reserves at a minimum level of three months operating costs and accordingly have designated £250,000 as a backstop contingency reserve. It is considered that the balancing free reserves of £191,355 are sufficient to fund the costs of the recovery strategy and any losses incurred during its implementation.

Leeds Mencap

Report of the trustees for the year ended 30 September 2020 (continued)

Future Plans

The key is to continue to pursue implementation of our recovery strategy that directs our work and focuses our resources, and to achieve sustainability. The twin-track strategy in place for the year to September 2020 remains at its core.

Track one – Continue work to improve our financial position to be sustainable through:

- Increasing income from all sources with particular emphasis on improving our fundraising performance.
- Improving efficiency with ongoing control of costs and cost effective models of delivering services.
- Increasing capacity through growing our volunteer base and offering more opportunities to student placements.
- Ongoing monitoring and review of the longer term sustainability of the current model of operation.

Track two – Explore opportunities for partnership working at both operational and strategic levels with a view to potentially share or save costs, and open up new income streams or funding opportunities. This work includes exploring any opportunities to merge with one or more organisations.

A reasonable start was made in the first half of 2019/20 but was then derailed by the Covid-19 pandemic. 2020/21 will see a refocusing on the twin-track strategy as the Covid-19 restrictions are eased, but the strategy has to take account of the pandemic in two ways. First, the timescale of the recovery strategy is extended by a year to 2019-2022 to compensate for time lost. Secondly, it is Leeds Mencap's self-generated income that has been most hit by Covid-19 restrictions and it was this income that was to be maximised as part of the track one. Therefore, to compensate for this, during the year 2020/21 the trustees will rigorously reduce costs and reshape the organisation to concentrate on the delivery of cost effective core charitable activities.

During the second half of 2020/21 trustees will ensure cost reduction activities have been enough to achieve the level of recovery needed by September 2022. They will also begin the process of developing a new strategy for 2022/23 and beyond that supports delivery of the revised charitable objects and moves the organisation towards a position from which to rebuild.

Leeds Mencap

Report of the trustees for the year ended 30 September 2020 (continued)

Statement of the Responsibilities of the Trustees

Company law requires the Board to prepare financial statements for each financial period, which give a true and fair view of the state of affairs of the Company as at the end of the financial period and of the surplus or deficit of the Company for that period.

In preparing those financial statements the Board is required to:

- Select suitable accounting policies and then apply them consistently;
- Make judgements and estimates that are reasonable and prudent;
- Prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Company will continue in business.

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

Statement of disclosure to the auditor

The trustees of the company who held office at the date of approval of this annual report confirm that:

- so far as they are aware, there is no relevant audit information, information needed by the company's auditors in connection with preparing their report, of which the company's auditors are unaware; and
- they have taken all the steps that they ought to have taken as trustees in order to make themselves aware of any relevant audit information and to establish that the company's auditors are aware of this information.

Auditors

The auditors, Garbutt & Elliott Audit Limited, have indicated their willingness to stand for reappointment at the annual general meeting.

Small Company Rules

This report has been prepared in accordance with the special provisions of Part 15 of the Companies Act 2006 relating to small companies. It was approved by the Board of Trustees and signed on its behalf.

D Clayton
Vice Chair



Date: 14/5/21

Leeds Mencap

Independent Auditors' Report to the Members of Leeds Mencap

Opinion

We have audited the financial statements of Leeds Mencap (the 'charity') for the year ended 30 September 2020 which comprise the statement of financial activities, the balance sheet, the statement of cash flows and the notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

- give a true and fair view of the state of the charitable company's affairs as at 30 September 2020 and of its income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

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

Conclusions relating to going concern

We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

- the trustees' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the trustees have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the charity's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

Leeds Mencap

Independent Auditors' Report to the Members of Leeds Mencap (continued)

Other information

The trustees are responsible for the other information. The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. 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.

In connection with our audit of the financial statements, 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 audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. 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.

Opinions on other matters prescribed by the Companies Act 2006

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

- the information given in the trustees' Report, which includes the directors' report prepared for the purposes of company law, for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the directors' report included within the trustees' report has been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the charity and its environment obtained in the course of the audit, we have not identified material misstatements in the directors' report included within the trustees' report.

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

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of trustees' remuneration specified by law are not made; or

Leeds Mencap

Independent Auditors' Report to the Members of Leeds Mencap (continued)

- we have not received all the information and explanations we require for our audit; or
- the trustees were not entitled to prepare the financial statements in accordance with the small companies regime and take advantage of the small companies' exemptions in preparing the trustees' report and from the requirement to prepare a strategic report.

Responsibilities of trustees

As explained more fully in the statement of trustees' responsibilities, the trustees, who are also the directors of the charity for the purpose 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 charity's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the trustees either intend to liquidate the charitable company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

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

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

Use of our report

This report is made solely to the charitable company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the charitable company's members those matters we are required to state to them in an auditors' 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 the charitable

Leeds Mencap

Independent Auditors' Report to the Members of Leeds Mencap (continued)

company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Garbutt & Elliott Audit Limited

Laura Mashedor (Senior Statutory Auditor) 24/05/2021
for and on behalf of Garbutt & Elliott Audit Limited

Chartered Accountants
Statutory Auditor

33 Park Place
Leeds
LS1 2RY

Leeds Mencap

Statement of Financial Activities (including Income and Expenditure Account) for the year ended 30 September 2020

	Note	For the year ended 30 September 2020			For the period ended 30 September 2019		
		Unrestricted funds	Restricted funds	Total funds	Unrestricted funds	Restricted funds	Total funds
		£	£	£	£	£	£
Income							
Donations and legacies	2	40,354	163,309	203,663	41,150	101,127	142,277
Charitable activities	3	655,265	-	655,265	1,090,618	-	1,090,618
Other activities	4	131,435	-	131,435	139,330	-	139,330
Other income (gain on disposal of fixed asset)	5	2,207	-	2,207	-	-	-
Total income		829,261	163,309	992,570	1,271,098	101,127	1,372,225
Expenditure							
Raising funds	6	110,243	-	110,243	121,046	-	121,046
Charitable activities	7	770,071	163,309	933,380	1,221,990	101,127	1,323,117
Exceptional expenditure	8	-	-	-	119,777	-	119,777
Total expenditure		880,314	163,309	1,043,623	1,462,813	101,127	1,563,940
Net (expenditure) for the period before transfers	10	(51,053)	-	(51,053)	(191,715)	-	(191,715)
Transfers between funds		-	-	-	-	-	-
Net movement in funds		(51,053)	-	(51,053)	(191,715)	-	(191,715)
Total funds brought forward	17	2,058,776	-	2,058,776	2,250,491	-	2,250,491
Total funds carried forward	17	2,007,723	-	2,007,723	2,058,776	-	2,058,776

- All activities derive from continuing operations.
- The notes on pages 25 to **Error! Bookmark not defined.** form part of these financial statements.
- The statement of financial activities also complies with the requirement for an income and expenditure account under the Companies Act 2006.
- The statement of financial activities includes all gains and losses recognised in the year.

Leeds Mencap

Balance Sheet as at 30 September 2020

		30 September 2020		30 September 2019	
	Note	£	£	£	£
Fixed assets					
Tangible assets	12		1,890,175		2,749,444
Current assets					
Debtors	13	37,824		71,204	
Cash at bank and in hand		540,575		61,994	
		578,399		133,198	
Creditors: Amounts falling due within one year	14	(137,044)		(255,830)	
Net current assets			441,355		(122,632)
Creditors: Amounts falling due after more than one year	15		(323,807)		(568,036)
Total net assets			2,007,723		2,058,776
Funds:					
Unrestricted funds					
General funds	16	226,730		(272,719)	
Designated funds	16	1,780,993		2,331,495	
Total unrestricted funds			2,007,723		2,058,776
Total funds	16		2,007,723		2,058,776

These financial statements have been prepared in accordance with the special provisions of Part 15 of the Companies Act 2006 relating to small companies and were approved by the Board on 29 March 2021 and signed on its behalf.

D Clayton
Vice Chair



Company registration number 04332965

Leeds Mencap

Statement of Cash Flows for the year ended 30 September 2020

	Note	2020 £	2019 £
Cash flows from operating activities			
Net cash (used in) operating activities	21	(99,825)	(48,563)
Cash flows from investing activities			
Purchase of property, plant and equipment		(7,368)	-
Proceeds from sale of property, plant and equipment		828,407	-
Net cash provided by investing activities		821,039	-
Cash flows from financing activities			
Increase/(repayment) of borrowings		(242,633)	1,324
Net cash (used in)/provided by financing activities		(242,633)	1,324
Change in cash and cash equivalents in the period		478,581	(47,239)
Cash and cash equivalents at the beginning of the period		61,994	109,233
Cash and cash equivalents at the end of the period		540,575	61,994

Leeds Mencap

Notes to the Financial Statements for the year ended 30 September 2020

1. Accounting policies

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

Company Information

Leeds Mencap is a Company Limited by Guarantee and is also a registered charity. The registered office is 20 Vinery Terrace, East End Park, Leeds, LS9 9LU.

Each member of the company has undertaken to contribute such amount as may be required not exceeding £1 to the assets of the charitable company in the event of its being wound up while he or she is a member, or within one year after he or she ceases to be a member.

Functional currency

The financial statements are prepared in sterling which is the functional currency of the charity. Monetary amounts in these financial statements are rounded to the nearest £1.

Basis of preparation of the financial statements

The financial statements have been prepared in accordance with 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) - (Charities SORP (FRS 102)), the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) and the Companies Act 2006.

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

Going concern

The charity reported an inflow of cash of £478,581 in the year to September 2020. Nevertheless the trustees recognise that the charity's ongoing activities operate at a deficit and will erode the organisation's cash position over time. The trustees have set in place a recovery strategy, which is discussed on pages 8 and 16 of the trustees' annual report, to improve the efficiency and sustainability of the charity.

The trustees have prepared financial projections, taking into consideration a prudent view of the strategic review actions, the continued cash requirements of ongoing activities until sustainability is reached, the impact of the Covid-19 pandemic, and the current economic climate. This gives assurance that adequate financial resources are available to enable the charity to continue in operational existence for the foreseeable future. Consequently the financial statements have been prepared on the basis that the charity is a going concern.

Leeds Mencap

Notes to the Financial Statements for the year ended 30 September 2020 (continued)

Income

Income is recognised when the charity has entitlement to the funds, any performance conditions attached to the items of income have been met, it is probable that the income will be received and the amount can be quantified with reasonable accuracy.

- Donations and legacies, which include grants, are included in the Statement of Financial Activities (SoFA) when it is probable that the funds will be received and that they can be measured with sufficient reliability.
- Grants, including grants for the purchase of fixed assets, are recognised in full in the SoFA in the period in which they are receivable.
- The value of services provided by volunteers is not included.
- Trading and investment income is accounted for on an accruals basis.
- Where income is received specifically for expenditure in a future accounting period that amount is deferred.

Expenditure

Expenditure is recognised in the period in which it is incurred. Expenditure includes attributable VAT which cannot be recovered:

- Charitable expenditure comprises those costs incurred by the charity in the delivery of its activities and services for its beneficiaries. It includes both costs that can be directly allocated to such activities and those costs of an indirect nature necessary to support them.
- Support costs comprise all non-attributable costs including Finance, Human Resources, Information Technology and Administration. These costs have been allocated across activities either directly or based on usage as set out in note 9.

Staff costs

The costs of short term employee benefits are recognised as a liability and an expense where settlement of obligations does not fall within the same period.

Pension costs

The charity operates a defined contribution scheme for its employees. Contributions are charged as an expense to the SoFA in the period in which they fall due.

Fund accounting

Funds held by the charity are either:

General funds: Unrestricted funds are donations and other incoming resources receivable or generated for the objects of the charity without further specified purpose and are available as general funds.

Designated funds: Designated funds are unrestricted funds which have been set aside by the executive committee for a specific purpose.

Leeds Mencap

Notes to the Financial Statements for the year ended 30 September 2020 (continued)

Restricted funds: Restricted funds are to be used for specific purposes as laid down by the donor or through the terms of an appeal. Expenditure which meets these criteria is charged to the fund, together with a fair allocation of management and support costs.

Operating leases

The charity classifies the lease of printing equipment as operating leases; the title to the equipment remains with the lessor. Rentals are charged on a straight line basis over the term of the lease.

Tangible fixed assets and depreciation

Tangible fixed assets are stated at cost or valuation less depreciation. Depreciation is provided at the following annual rates in order to write off fixed assets, less their residual value, over their estimated useful lives:

Plant and equipment	20% reducing balance
Office equipment	15% reducing balance
Motor vehicles	25% reducing balance
Freehold buildings	2% straight line

Individual tangible assets are capitalised if costing in excess of £1,000.

Freehold land is not depreciated.

Financial instruments

The charity has elected to apply the provisions of Section 11 'Basic Financial Instruments' and Section 12 'Other Financial Instruments Issues' of FRS 102 to all of its financial instruments.

Cash at bank and in hand

Cash at bank and cash in hand includes cash and short term highly liquid investments with a short maturity held for working capital. Any bank overdrafts are shown within borrowings in current liabilities.

Debtors

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

Financial assets, other than those held at fair value through profit and loss, are assessed for indicators of impairment at each reporting end date.

Financial assets are impaired where there is objective evidence that, as a result of one or more events that occurred after the initial recognition of the financial asset, the estimated future cash flows have been affected. Any impairment loss is recognised in the income and expenditure account.

Leeds Mencap

Notes to the Financial Statements for the year ended 30 September 2020 (continued)

Creditors, loans and provisions

Creditors, loans and provisions are recognised where the charity has a present obligation resulting from a past event that will probably result in the transfer of funds to a third party and the amount due to settle the obligation can be measured or estimated reliably. Creditors, loans and provisions are normally recognised at their settlement amount after allowing for any trade discounts due.

Financial liabilities are only derecognised when, and only when, the charity's obligations are discharged, cancelled or they expire.

Amounts recognised as provisions are best estimates of the consideration required to settle the present obligation at the reporting end date, taking into account the risks and uncertainties surrounding the obligation.

Critical Accounting Estimates and Judgements

In the application of the charity's accounting policies, the trustees are required to make judgements, estimates and assumptions about the carrying amount of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised, if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

The trustees have judged that the following estimates or assumptions have a significant risk of causing a material adjustment to the carrying amount of assets and liabilities:

Freehold property valuations

The freehold property held by the charity was revalued during the period to 30 September 2018 as disclosed in note 12 to the financial statements.

The Vinery Centre was revalued in the period to 30 September 2018. Given that there is no intention to sell and its specialist nature, having being designed and built specifically for the charity, market value is not considered an appropriate valuation basis. Accordingly the land was valued at historic cost and the building revalued downward to its depreciated replacement value. Depreciation on the freehold building has been charged in the year to 30 September 2020.

Leeds Mencap

Notes to the Financial Statements for the year ended 30 September 2020 (continued)

2. Donations and legacies

	Unrestricted funds	Restricted funds	2020 Total	Unrestricted funds	Restricted funds	2019 Total
	£	£	£	£	£	£
Donations	22,187		22,187	11,255	1,771	13,026
Legacies				500		500
Subscriptions	34		34	78		78
Donations through event fundraising	10,613		10,613	29,317	1,314	30,631
Grants:						
Age Partnership Charitable Foun		1,000	1,000	-	1,300	1,300
Alchemy Foundation	500		500		500	500
Arise South Leeds		1,000	1,000			
Awards for All (National Lottery)		10,000	10,000			
Baily Thomas					13,200	13,200
Baty Casson Long		500	500			
Beatrice Laing Trust		5,000	5,000			
Boshier Hinton					1,600	1,600
Calmcott Trust		1,000	1,000			
Catherine Cookson Charitable Tr					100	100
Charles Brotherton		150	150		150	150
Children In Need		33,289	33,289		32,079	32,079
Comic Relief		44,579	44,579			
David Lister Charitable Trust	1,000	1,000	2,000			
Denton Charitable Trust					500	500
Dorothy Pamela Smith CIO					2,000	2,000
Douglas Arter Foundation					500	500
Franklin Trust					1,000	1,000
Garfield Weston Foundation		15,000	15,000			
Gledswood Charitable Trust		1,000	1,000			
Groundwork UK					2,000	2,000
Hays Travel Foundation		2,500	2,500		2,500	2,500
Headingley Orphanage					500	500
Holbeck Charitable Trust					2,000	2,000
John R Murray Charitable Trust					3,000	3,000
Leeds City Council	620		620			
Leeds Community Foundation		12,500	12,500		7,000	7,000

Leeds Mencap

Notes to the Financial Statements for the year ended 30 September 2020 (continued)

2. Donations and legacies (continued)

	Unrestricted funds	Restricted funds	2020 Total	Unrestricted funds	Restricted funds	2019 Total
	£	£	£	£	£	£
Leeds Convalescent Society		500	500			
Lynn Foundation	500		500			
Maryland Trust		1,000	1,000			
Metcalf Smith Trust					550	550
Mirianog Trust					1,000	1,000
Mollie Croysdale Trust		500	500			
N Smith Charitable Settlement	750		750		1,000	1,000
National Lottery		6,069	6,069			
Neighbourly Community Fund	400		400			
Next					500	500
Oliver Ford Trust		2,575	2,575		2,575	2,575
Persimmon Community Champions					1,000	1,000
RE Chadwick	-				500	500
Richard Burns Charitable Trust	250		250			
Rotary Club of Leeds	500		500			
Sir George Martin Trust	-	2,500	2,500			
Sir Jules Thorn Trust		750	750		750	750
Souter Charitable Trust		2,000	2,000			
Sovereign Health					2,000	2,000
St James's Place Charitable Foundation		2,500	2,500			
Stella Symons Charitable Trust		250	250			
The Clothworkers Foundation		3,680	3,680			
The February Foundation		5,000	5,000		5,000	5,000
The George A Moore Foundation		1,000	1,000		1,000	1,000
The Hobson Charity					1,247	1,247
The QBE Foundation		5,467	5,467		5,466	5,466
The Seedlings Foundation		1,000	1,000		1,000	1,000
Wades Charity					3,000	3,000
Willie & Mabel Morris Charitable Trust	1,000		1,000			
Yorkshire Property Charitable Trust	2,000		2,000		1,525	1,525
	40,354	163,309	203,663	41,150	101,127	142,277

The charity benefits greatly from the involvement and enthusiastic support of a number of volunteers. In accordance with FRS 102 the economic contribution of volunteers is not recognised in the financial statements.

Leeds Mencap

Notes to the Financial Statements for the year ended 30 September 2020 (continued)

3. Income from charitable activities

	Unrestricted funds	Restricted funds	2020 Total	Unrestricted funds	Restricted funds	2019 Total
	£	£	£	£	£	£
Residents' fees	31,203	-	31,203	463,117	-	463,117
Contracts	470,116	-	470,116	416,544	-	416,544
Other fees & charges	153,946	-	153,946	210,957	-	210,957
	655,265	-	655,265	1,090,618	-	1,090,618

4. Other activities

	Unrestricted funds	Restricted funds	2020 Total	Unrestricted funds	Restricted funds	2019 Total
	£	£	£	£	£	£
Fundraising activities	7,719	-	7,719	17,283	-	17,283
Licence income/other grant	4,482	-	4,482	7,608	-	7,608
Rent receivable	60,938	-	60,938	99,985	-	99,985
Coronavirus Job Retention Scheme	33,296	-	33,296	-	-	-
Retail Hospitality and Leisure grant (via LCC)	25,000	-	25,000	-	-	-
Insurance claim	-	-	-	14,454	-	14,454
	131,435	-	131,435	139,330	-	139,330

5. Other income

	Unrestricted funds	Restricted funds	2020 Total	Unrestricted funds	Restricted funds	2019 Total
	£	£	£	£	£	£
Realised gain on sale of the Rookery	2,207	-	2,207	-	-	-
	2,207	-	2,207	-	-	-

6. Raising funds

	Unrestricted funds	Restricted funds	2020 Total	Unrestricted funds	Restricted funds	2019 Total
	£	£	£	£	£	£
Expenditure on raising funds (direct)	87,085	-	87,085	101,633	-	101,633
Support costs (Note 9)	23,158	-	23,158	19,413	-	19,413
	110,243	-	110,243	121,046	-	121,046

Leeds Mencap

Notes to the Financial Statements for the year ended 30 September 2020 (continued)

7. Charitable Activities

	Residential care	Family support	General and other activities	Total 2020
	£	£	£	£
Costs directly allocated to activities:				
Activities	3,986	13,971	19,729	37,686
Wages and related costs	26,664	200,408	372,213	599,285
Establishment expenses	7,133	3,186	26,092	36,411
Administrative expenses	932	2,462	9,766	13,160
Support costs (Note 9)	7,672	75,713	163,453	246,838
	<u>46,387</u>	<u>295,740</u>	<u>591,253</u>	<u>933,380</u>

Charitable Activities - 2019

	Residential care	Family support	General and other	Total 2019
	£	£	£	£
Costs directly allocated to activities:				
Activities	19,244	12,073	15,384	46,701
Wages and related costs	391,537	216,001	322,510	930,048
Establishment expenses	42,282	208	30,327	72,817
Administrative expenses	5,041	906	6,905	12,852
Support costs (Note 9)	65,515	63,677	131,507	260,699
	<u>523,619</u>	<u>292,865</u>	<u>506,633</u>	<u>1,323,117</u>

Administrative expenses include bank loan interest of £11,908 (2019: £19,360).

8. Exceptional Expenditure

	Unrestricted funds	Restricted funds	2020 Total	Unrestricted funds	Restricted funds	2019 Total
	£	£	£	£	£	£
Redundancy costs				77,181		77,181
Recovery project				42,596		42,596
				<u>119,777</u>		<u>119,777</u>

Leeds Mencap

Notes to the Financial Statements for the year ended 30 September 2020 (continued)

9. Analysis of support costs

Allocation of costs	Basis of allocation	General support	Governance	Total 2020
		£	£	£
Administrative expenses	Time	46,130	5,499	51,629
Management expenses	Time	138,185	-	138,185
Establishment expenses	Floor area	80,182	-	80,182
		264,497	5,499	269,996

Apportionment of costs	Raising funds	Charitable activities	Total 2020
	£	£	£
Support costs	23,158	246,838	269,996
	23,158	246,838	269,996

Analysis of support costs - 2019

Allocation of costs	Basis of allocation	General support	Governance	Total 2019
		£	£	£
Administrative expenses	Time	63,319	7,662	70,981
Management expenses	Time	92,450	-	92,450
Establishment expenses	Floor area	116,681	-	116,681
		272,450	7,662	280,112

Apportionment of costs	Raising funds	Charitable activities	Total 2019
	£	£	£
Support costs	19,413	260,699	280,112
	19,413	260,699	280,112

10. Net (expenditure) for the period

This is stated after charging:	2020	2019
	£	£
Auditors' remuneration:		
Audit services	4,250	4,250
Depreciation of tangible fixed assets	40,437	46,926

Leeds Mencap

Notes to the Financial Statements for the year ended 30 September 2020 (continued)

11. Employees and Trustees

The average monthly number of employees during the period was as follows:

	2020 Number	2019 Number
Fundraising	4	4
Charitable activities	62	81
Governance	3	3
	69	88

The average number of employees, on a full-time equivalent basis, during the period was as follows:

	2020 Number FTE	2019 Number FTE
Fundraising	2	3
Charitable activities	40	55
Governance	3	3
	45	61

Leeds Mencap

Notes to the Financial Statements for the year ended 30 September 2020 (continued)

Staff costs during the period were as follows:

	2020	2019
	£	£
Wages and salaries	760,015	1,076,954
Employer's NI	43,972	59,842
Pension costs	12,854	14,649
Redundancy payments	-	74,977
	816,841	1,226,422

No employee earned £60,000 or more per annum during the period (2019: no employee).

The redundancy pay reported is that due to staff working at the Rookery who, at 30 September 2019, were under formal notice of redundancy. The Rookery closed, and the redundancies took effect in the current 2019/20 financial year on 28 October 2019. The redundancy payments included statutory redundancy pay of £49,714 and enhanced pay agreed by the trustees.

None of the trustees received remuneration or benefits for their services during the period (2019: no trustee). Expenses of £15 were reimbursed to one trustee (2019: £81 to one trustee).

The key management personnel of Leeds Mencap are the Trustees, the Chief Executive, the Finance Manager, the Fundraising Manager and the Family Services Manager. The total employee benefits of the key management personnel of the charity for the year were £147,185 (2019: £144,994).

Leeds Mencap

Notes to the Financial Statements for the year ended 30 September 2020 (continued)

12. Tangible fixed assets

	Freehold land and buildings	Plant and Equipment	Office equipment	Total
	£	£	£	£
Cost or valuation				
At 1 October 2019	2,720,000	93,488	46,916	2,860,404
Additions		7,368	-	7,368
Disposals	(800,000)	(51,410)	-	(851,410)
Revaluations				
At 30 September 2020	1,920,000	49,446	46,916	2,016,362
Depreciation and impairments				
At 1 October 2019	32,600	47,565	30,795	110,960
Disposals		(25,210)		(25,210)
Depreciation	32,600	5,419	2,418	40,437
Impairment				
At 30 September 2020	65,200	27,774	33,213	126,187
Net book values				
At 30 September 2019	2,687,400	45,923	16,121	2,749,444
At 30 September 2020	1,854,800	21,672	13,703	1,890,175

Freehold land and buildings were revalued in an earlier accounting period as of 30 September 2018. This asset class comprised two properties: the Rookery and the Vinery Centre.

The Rookery was sold in October 2019 in line with the Trustees' strategic plan to cease operating it as a residential care home. The total value realised for the land and buildings together with the associated plant and equipment exceeded the carrying value by £2,207. The realised gain has been recognised as other income in the statement of financial activities.

The Vinery Centre was valued on the basis of depreciated replacement cost. Following a professional appraisal of the property and after careful analysis of the construction costs incurred in 2016, the replacement cost was determined to be £1,920,000 compared to a book value of £2,414,278 and an impairment was recognised in the period to September 2018. Depreciation on the freehold building has been charged in the subsequent accounting periods.

Had freehold land and buildings not been revalued, the carrying value at 30 September 2020 under the historical cost method would have been £2,347,195

Leeds Mencap

Notes to the Financial Statements for the year ended 30 September 2020 (continued)

13. Debtors

	2020	2019
	£	£
Trade debtors	14,315	35,661
Prepayments and accrued income	23,509	35,519
Other debtors		24
	37,824	71,204

14. Creditors: amounts falling due within one year

	2020	2019
	£	£
Bank loans and overdrafts	29,343	27,747
Trade creditors	14,158	11,130
Taxation and social security	13,112	17,376
Other creditors	2,331	20
Accruals	15,966	99,086
Deferred income (note 14A)	62,134	100,471
	137,044	255,830

14A. Deferred income

	2020	2019
	£	£
At 1 April 2019	100,471	84,059
Amount released to income	(100,471)	(84,059)
Amount deferred in the period	62,134	100,471
At 30 September 2020	62,134	100,471

Leeds Mencap

Notes to the Financial Statements for the year ended 30 September 2020 (continued)

15. Creditors: amounts falling due after more than one year

	2020	2019
	£	£
Secured bank loan (falling due in less than 2 years)	36,060	568,036
Secured bank loan (falling due between 2 and 5 years)	287,747	-
	<u>323,807</u>	<u>568,036</u>

The bank loan is provided by Barclays Bank plc and is secured by a first legal charge over land at The Vinery Centre, 20 Vinery Terrace, Leeds. Interest is charged monthly at 2.5% over the Bank of England base rate. As planned, some of the cash (£242.5k) realised on the sale of the Rookery in October 2019 was applied to reduce the principal of the loan. Therefore, on 18 December 2019 the then existing bank loan was replaced with a new loan of £350,000. The new bank loan, with similar interest charges, has a term of 5 years, although repayments are calculated on the basis of a 10 year repayment profile. The bank agreed a capital repayment holiday of 12 months from 18 December 2019, meaning the first repayment will be due in December 2020. Interest became chargeable from 18 December 2019 and whilst the loan is interest only, the charity settles interest costs as they fall due.

Leeds Mencap

Notes to the Financial Statements for the year ended 30 September 2020 (continued)

16. Movement in funds

	Balance at 1 October 2019	Income	Expenditure	Transfers	Gains and losses	Balance at 30 September 2020
	£	£	£	£	£	£
Restricted funds:						
Hawthorn Fund						
Children in Need	-	32,716	(32,716)	-	-	-
Other	-	9,217	(9,217)	-	-	-
Family Support						
Comic Relief	-	44,579	(44,579)	-	-	-
Garfield Weston	-	15,000	(15,000)	-	-	-
Other	-	29,680	(29,680)	-	-	-
Childcare	-	13,500	(13,500)	-	-	-
Youth Activities						
Children in Need (Sibs)	-	573	(573)	-	-	-
Youth Clubs	-	5,750	(5,750)	-	-	-
Friday Club	-	6,225	(6,225)	-	-	-
Community Hub Project						
National Lottery	-	6,069	(6,069)	-	-	-
Total restricted funds at 30 September 2020	-	163,309	(163,309)	-	-	-
Unrestricted funds:						
Designated funds						
Vinery Centre - Property	1,887,400	-	(32,600)	(323,807)	-	1,530,993
Rookery - Property	444,095	-	-	(444,095)	-	-
Contingency reserve	-	-	-	250,000	-	250,000
	2,331,495	-	(32,600)	(517,902)	-	1,780,993
General funds	(272,719)	829,261	(847,714)	517,902	-	226,730
Total unrestricted funds at 30 September 2020	2,058,776	829,261	(880,314)	-	-	2,007,723
Total funds at 30 September 2020	2,058,776	992,570	(1,043,623)	-	-	2,007,723

Leeds Mencap

Notes to the Financial Statements for the year ended 30 September 2020 (continued)

Movement in funds - 2019

	Balance at 1 October 2018 £	Income £	Expenditure £	Transfers £	Gains and losses £	Balance at 30 September 2019 £
Restricted funds:						
Hawthorn Fund						
Children In Need	-	32,079	(32,079)	-	-	-
Other	-	18,616	(18,616)	-	-	-
Parent Support						
Baily Thomas	-	13,200	(13,200)	-	-	-
Other	-	10,685	(10,685)	-	-	-
Childcare	-	8,000	(8,000)	-	-	-
Youth Activities						
Youth Clubs	-	7,550	(7,550)	-	-	-
Friday Club	-	9,472	(9,472)	-	-	-
Other	-	1,525	(1,525)	-	-	-
Total restricted funds at 30 September 2019	-	101,127	(101,127)	-	-	-
Unrestricted funds:						
Designated funds						
Vinery Centre - Property	1,920,000	-	(32,600)	-	-	1,887,400
Rookery - Property	444,095	-	-	-	-	444,095
	2,364,095	-	(32,600)	-	-	2,331,495
General funds	(113,604)	1,271,098	(1,430,213)	-	-	(272,719)
Total unrestricted funds at 30 September 2019	2,250,491	1,271,098	(1,462,813)	-	-	2,058,776
Total funds at 30 September 2019	2,250,491	1,372,225	(1,563,940)	-	-	2,058,776

Leeds Mencap

Notes to the Financial Statements for the year ended 30 September 2020 (continued)

Purpose of restricted funds:

Hawthorn Fund:	Funds to be used for staffing, running and equipment costs of the specialist playroom for young children with a learning disability and the costs of providing support to their families.
Parent Support:	Funds to be used for the staffing, running and equipment costs of support services provided to parents and carers of people with learning disabilities and their wider families.
Childcare:	Funds specifically for Jimbo's Community Nursery, operated by Leeds Mencap.
Youth Activities:	Funds for staffing, running and equipment costs for our different clubs and activities for children and young people with learning disabilities or their siblings.

Purpose of designated (unrestricted) funds:

Property Funds:	<p>The Vinery Centre is the charity's principal functional fixed asset. The designated fund is maintained at a value equivalent to the net book value of the Vinery Centre land and buildings, less the long term liability value of the bank loan secured against it. Much of the fund was sourced through restricted grants and donations, the application of which, in the acquisition of the Centre, discharged the restrictions. The expenditure allocated to this fund is the annual depreciation charge.</p> <p>The Rookery fund served a similar purpose for that property; it was transferred to the general unrestricted fund on its sale.</p>
Contingency reserve:	<p>The trustees designated this fund from the proceeds of the sale of the Rookery in October 2019. It is set at a sum equivalent to three months' running costs. It is a backstop reserve to be used only in two limited circumstances: either for short-term liquidity against assured and certain future income, or to meet redundancy costs and similar contingent liabilities if the trustees assess Leeds Mencap no longer to have the potential to be a sustainable organisation..</p>

Leeds Mencap

Notes to the Financial Statements for the year ended 30 September 2020 (continued)

17. Analysis of net assets by fund

As at 30 September 2020	Tangible fixed assets	Net current assets	Long term liabilities	Total
	£	£	£	£
Restricted funds:				
Unrestricted funds:				
General	35,375	191,355	-	226,730
Designated	1,854,800	250,000	(323,807)	1,780,993
	<u>1,890,175</u>	<u>441,355</u>	<u>(323,807)</u>	<u>2,007,723</u>
As at 30 September 2019	Tangible fixed assets	Net current assets	Long term liabilities	Total
	£	£	£	£
Restricted funds:				
Unrestricted funds:				
General	417,949	(122,632)	(568,036)	(272,719)
Designated	2,331,495	-	-	2,331,495
	<u>2,749,444</u>	<u>(122,632)</u>	<u>(568,036)</u>	<u>2,058,776</u>

18. Operating lease commitments

As at 30 September 2020 the charity had annual commitments under non-cancellable operating leases as follows:

	Office equipment	
	2020	2019
	£	£
Expiry date:		
Within one year	1,072	1,072
Between one and five years	535	1,607
	<u>1,607</u>	<u>2,679</u>

Leeds Mencap

Notes to the Financial Statements for the year ended 30 September 2020 (continued)

19. Taxation

Leeds Mencap is a registered charity and as such is a charity within the meaning of schedule 6 of the Finance Act 2010. Accordingly, it is potentially entitled to tax exemption under part 11 of the Corporation Tax Act 2010 or section 256 of the Taxation of Chargeable Gains Act 1992 in respect of income and gains arising.

20. Related party transactions

No trustee received any remuneration during the period. No other trustee or other person related to the charity had any personal interest in any contract or transaction entered into by the charity during the period. Trustees' expenses are disclosed in note 11 to the financial statements. There are no other related party transactions to disclose in the financial statements.

21. Reconciliation of net movements in funds to net cash flow from operating activities

	2020	2019
	£	£
Net movement in funds	(51,053)	(191,715)
Add back depreciation	40,437	46,926
(Profit) on the sale of fixed assets	(2,207)	=
Decrease in debtors	33,380	2,429
(Decrease)/increase in creditors	(120,382)	93,797
	(99,825)	(48,563)