

Enabling people with learning disabilities and their families to make the most of life.



Trustee Report & Financial Statements for the year ended 31st March 2024

Registered Company Number: 02636705 (England and Wales)
A Company limited by Guarantee
Registered Charity Number: 1004431



WATFORD AND DISTRICT MENCAP SOCIETY

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FOR THE YEAR ENDED 31 MARCH 2024

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WATFORD AND DISTRICT MENCAP SOCIETY

REFERENCE AND ADMINISTRATIVE DETAILS

FOR THE YEAR ENDED 31 MARCH 2024

COUNCIL OF MANAGEMENT Mr R F Jones (Chair)
 Mrs P Joy (Acting Vice Chair, Treasurer)
 Mrs N Cowap (appointed 21 October 2023)
 Mr J Good
 Mrs L C Green
 Mrs P Robertson
 Mr J R Teague

COMPANY SECRETARY Miss J K Pattinson

REGISTERED OFFICE 92a Langley Road
 Watford
 Hertfordshire
 WD17 4PJ

REGISTERED COMPANY NUMBER 02636705 (England and Wales)

REGISTERED CHARITY NUMBER 1004431

INDEPENDENT AUDITORS Mercer & Hole LLP
 Chartered Accountants
 Trinity Court
 Church Street
 Rickmansworth
 Hertfordshire
 WD3 1RT

CHIEF EXECUTIVE Miss J K Pattinson

PRINCIPAL BANKER NatWest
 72 High Street
 Watford
 Hertfordshire
 WD17 2GZ

WEBSITE www.watfordmencap.org.uk

WATFORD AND DISTRICT MENCAP SOCIETY

REPORT OF THE TRUSTEES

FOR THE YEAR ENDED 31 MARCH 2024

The trustees (also known as the Council of Management) who are also directors of the charity for the purposes of the Companies Act 2006, present their report with the financial statements of the charity for the year ended 31 March 2024. The trustees have adopted the provisions of Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their financial statements in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2019).

OBJECTIVES AND ACTIVITIES

Objectives

The charity's objects are set out in the Articles of Association and are:

The relief of people with a learning disability in particular by the provision of help and support for them and their families, dependants and carers and to prevent or alleviate learning disabilities for the public benefit by education, research and life-enhancing medical intervention.

The provision or assistance 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.

"Learning disability" means any developmental disability of the mind and any associated condition howsoever caused and whether mild, moderate or severe.

The charity aims to achieve its objects by seeking to provide user-led and person-centred services which enable people with a learning disability to make the most of life. Services are constantly under review in the light of user needs, government policy, funding availability, and changing needs and practices. Watford Mencap seeks to work with other voluntary and statutory organisations to promote the welfare of people with a learning disability.

Our Values

We are **INCLUSIVE** People with learning disabilities are at the heart of everything that we do.

We are **RESPECTFUL** We work in a person-centred way, whilst listening to the views of all.

We are **WELCOMING** We are approachable and value all.

We are **PROGRESSIVE** We promote learning to support everyone to achieve their potential.

We are **CHALLENGING** Through our work we will push the boundaries for individuals, organisations and society.

WATFORD AND DISTRICT MENCAP SOCIETY

REPORT OF THE TRUSTEES

FOR THE YEAR ENDED 31 MARCH 2024

OBJECTIVES AND ACTIVITIES - Continued

Our Mission

Enabling people with learning disabilities and their families to make the most of life.

To help make this happen we will

- Support people to enjoy choice and control over their own lives, to enable them to work towards fulfilling their life ambitions and to achieve their potential
- Provide a range of high quality, individually tailored services that focus on the individual and their family
- Support people to obtain their rights and to understand their responsibilities as members of society
- Recognise that people have skills, abilities and expertise and use these to inform our growth and progress
- Campaign to ensure the rights of people with a learning disability and their families are respected and to ensure that they have access to the services they need and to challenge discrimination
- Involve and include learning disabled people in evaluation and decision making at all levels within Watford Mencap

Activities

All of the charity's activities focus on the objects set out in the Articles of Association noted on page 2. It is the charity's aim to be the first port of call in South West Herts for all people with a learning disability, their families and carers. Support may be given in partnership with other relevant organisations. There are no restrictions on access to services other than the charity's capacity and capability to provide the support required to live a fulfilling life.

A life-long journey supported by Watford Mencap every step of the way

People with learning disability are one of the least understood, least visible and most vulnerable sections of our society. They are also a sizeable group.

The Improving Health and Lives (IHAL) profiles produced by the North East Public Health Observatory estimates that approximately 2.5% of the total population have some form of learning disability, which equates to an estimated 1.5 million people in the United Kingdom with a learning disability. This population is predominantly (60%) male and unknown to services; of the estimated 1.2 million adults with a learning disability in England, only 189,000 (21%) are known to local authority or health services. Around 24% of the estimated population with learning disabilities are believed to be children and 76% are believed to be adults. (IHAL, 2011).

WATFORD AND DISTRICT MENCAP SOCIETY

REPORT OF THE TRUSTEES

FOR THE YEAR ENDED 31 MARCH 2024

OBJECTIVES AND ACTIVITIES - Continued

The Summary Needs Assessment: Fulfilling Lives for People with Learning Disabilities estimates there may be 5,500 children with learning disabilities in Hertfordshire and Projecting Adult Needs and Service Information 2015 states there are 21,109 people over 18 with a learning disability in the county. This is 1.76% of the total adult population. As of December 2020, Hertfordshire County Council (HCC) adult social care were supporting 4,600 adults with learning disabilities. Public Health England 2016 states there were 22.4 per 1,000 children with a learning disability known to schools in Herts and that 2.5% of children in England have a learning disability. The Herts Learning Disability Joint Commissioning Strategy 2019-24 states only 3,000 adults with learning disabilities were receiving help from local social care services and that local doctors only have 5,000 people on their register of people with learning disabilities in Hertfordshire.

The number of people over 18 with a learning disability is predicted to increase by 9% by 2025 and the largest projected growth area over the next 10 years is in the 75-84 and 85+ age range with projected increases of 32% and 47% respectively. It was recognised very early on in the pandemic that people with learning disabilities were extremely vulnerable to Covid19 so extra caution would be required. In seeking to serve this section of society Watford Mencap has developed a wide range of services.

The pandemic meant that needs have changed and services have had to constantly evaluate not just what is needed but also what can be safely provided. Services continued to run throughout the pandemic, with large group activities restarting again in April 2022, with infection control measures and some testing still in place throughout 2023/24.

Watford Mencap's services can be purchased privately by self-funders, people with individual budgets and direct payments as well as through Herts County Council (HCC) commissioned services. More people are now wanting help from Council and Health services and this throws up an increasing challenge for Watford Mencap as Councils and Health have less money to spend.

Community Activities

This range of services are offered within the community and have a focus on connecting with others whilst meeting individuals' needs. The aim is to provide attractive and fun activities which promote well-being and independence. Activities are available across all age ranges and are based on feedback from people who use the services. Many charge fees that are affordable to people from their weekly income, although help with fees may be sought for those in crisis. These activities are funded largely by grant or fundraising income but may also be subsidised by reserves during start-up, funding gaps or when broadening access for hard-to-reach groups. These services can also be commissioned or paid for privately. During the year many of these services managed to return to their pre-pandemic levels with some expanding to help people who had been isolated to reconnect.

The following activities are offered:

Advice and Information

Initial and ongoing contact through the Advice and Information Service is free to all and funded through fundraising, grants, and reserves if necessary. This service provides information, supports people, and facilitates their efforts to plan their lives and access services. No distinction is made between those who might wish to access services provided by the charity and those for whom another service provider or organisation might be

WATFORD AND DISTRICT MENCAP SOCIETY

REPORT OF THE TRUSTEES

FOR THE YEAR ENDED 31 MARCH 2024

OBJECTIVES AND ACTIVITIES - Continued

more appropriate - the interests of the individual are paramount. The service continued to hold a weekly open house at the Community Hub inviting people to come and reconnect with their local community as well as Watford Mencap. This has now grown to between 40 and 50 people attending each week.

The information gathered also supports Watford Mencap's campaigning work to highlight unmet needs to local authorities through the co-production groups. Unfortunately, the adviser left in January 2023 which temporarily reduced the support available, but the service still supported 106 individual people with 102 queries resulting in 2,638 contacts.

Children

The Short Break Contract from HCC continued to enable a range of leisure activities to be delivered, including weekend sessions and holiday activity schemes. All referrals for these services must come through the HCC Short Breaks process. Fundraising supports evening sessions which runs 3 evenings a week. The service worked in partnership with Home Start to trial a group for under 5s which supported families with a stay and play session. The main services continued to grow in the community hub with additional sessions offered. 91 children accessed these activities across the year, attending a total of 1,539 sessions.

Young People

This contract also includes young people and enabled a range of leisure activities including a weekly youth club, weekend sessions and holiday activity schemes for those at both school and college. Young People must come through the HCC Short Breaks Contract process which affects our ability to offer services to some people. Fundraising supports evening activities focusing on life skills such as cooking and shopping. These services were also able to grow as Covid restrictions were lifted. Like those for children, evening weekend activities continued alongside the weekly youth club. Holiday activity schemes were also available for those at school and college. 45 young people accessed these activities across the year, attending a total of 1,242 sessions.

Adults

Adults Day Opportunities – This service continued to develop and expand during the year, offering support to a range of individuals who often need 1:1 support. Those accessing the service receive tailored support, enabling them to choose individual activities in their local community including trips to the theatre, pub lunches and performing doughnuts in a high-speed car. Over the year the team provided over 11,644 hours of support to a total of 29 people.

Employability – The Café in the Library and training kitchen offer learning opportunities for people with learning disabilities to gain skills in all areas of the business including customer service, handling money and food hygiene. The way of life has changed in the local community, meaning the team are still learning people's new preferences but sales increased. New clients are also starting to attend.

During the year 14 people accessed these services attending 277 sessions.

The charity also provides volunteering opportunities for people with learning disabilities to gain retail, administration, and customer care skills. The shop and other trading initiatives provide opportunities to many volunteers, some of whom have a learning disability.

WATFORD AND DISTRICT MENCAP SOCIETY

REPORT OF THE TRUSTEES

FOR THE YEAR ENDED 31 MARCH 2024

OBJECTIVES AND ACTIVITIES - Continued

Leisure Activities –

The monthly Nightclub continued at POPWORLD and grew in popularity now running 12 times a year. The Social Hub group on a Tuesday evening for those living in the community also continued. In total 233 people accessed these activities across the year, attending a total of 1,448 sessions.

Having your Say – Watford and Three Rivers Learning Disability Local Area Forum is hosted and facilitated by the charity. The Forum focused on local and national topics linking with the local authority to raise issues.

Watford Mencap has a service user and carer base of over 1,450 people with learning disabilities and their carers for its various services. The charity aims to raise awareness of learning disability among the wider population, and of the existence of the charity and the services it provides to those with learning disabilities, their families and carers, as well as other relevant professionals. The charity aims to act as a central point of contact in relation to learning disability in South West Herts, providing information, contacts, advice and, where relevant and possible, services, to all who need them.

Services at Home

This range of services are offered in people's homes supporting them in their daily lives to gain independence and to promote choice and control.

1:1 Support in your own Home

The Care and Support Agency provides individualised and person-centred support for people with learning disabilities within the local community. People can be supported with a range of everyday activities, some practical, others more focused on social skills and learning. All work is focused on enablement and helping people to maximise their independence. Recruiting staff was a challenge but we recruited a new Service Manager which has supported this work. The team provided over 6,295 hours of support to a total of 44 people with learning disabilities.

24-Hour support in your own Home

The Supported Living team supports 10 people living in 4 different properties across South West Herts. Funding for individuals is from various sources including Individual Service Funds and commissioned hours from HCC's Supported Living Framework. During the year the individuals embraced getting out into the community and the teams provided 28,177 hours of support.

WATFORD AND DISTRICT MENCAP SOCIETY

REPORT OF THE TRUSTEES

FOR THE YEAR ENDED 31 MARCH 2024

OBJECTIVES AND ACTIVITIES - Continued

17 people are supported in 3 registered care homes run by Watford Mencap. Many people have lived in their home for many years and receive support in all aspects of their life. Sadly, several of those individuals passed away this year but the teams were proud to support them until the end. This has meant that we have welcomed several new people to the projects. Some residents' needs have continued to increase, with teams adapting their practices and the environment, to support them. Recruiting new workers improved with the increase in wages but we continue to require Agency staff to support the teams who provided 58,002 hours of support.

Public benefit

In planning and reviewing the above activities, the Council of Management have given careful consideration as to whether they have complied with the duty in section 17 of the Charities Act 2011 to have due regard to the public benefit guidance published by the Charity Commission.

The members, staff and volunteers of Watford Mencap strongly believe in the importance and worth of every individual in our society. The aim inherent in all of the charity's activities is to enable and facilitate the ability of people with a learning disability to make the choices that most of us take for granted. By making a contribution to this aim, the charity provides a public benefit of not only alleviating the potential distress and waste of individuals frustrated by the inability to lead a fulfilling life and the associated impact on their families and carers, but also, in some small way, to make society more tolerant, compassionate and inclusive.

Staff and volunteers

Watford Mencap benefits greatly from the commitment of its 171 paid staff. It also benefits from the support of a number of volunteers in the office, trading and fundraising activities, leisure services and community hub. The contribution of the 36 regular helpers and volunteers who worked with the charity over the year is estimated to be approximately 5,843 hours (representing the equivalent of approximately 3 full-time staff) and their contribution is gratefully acknowledged. Throughout the pandemic and beyond we have continued to be supported by a wide range of helpers who donate regular time to help in the garden, at fundraising events and to support our projects. We estimate this additional help from our helpers and supporters to be 1,196 hours, the approximate equivalent of another 0.6 members of staff. We are truly thankful for this and would not have been able to sustain our projects without this very generous support.

Lower than normal social care sector turnover of front-line staff and a consistent senior management team continue to be a significant achievement for the charity, however the last couple of years has seen a much greater turnover of staff than usual for the organisation and a greater reliance of agency staffing to ensure we can meet minimum staffing levels in our residential projects. The national social care recruitment and retention crisis is a very significant challenge in South West Herts. It is very important to the people and families that the charity supports to know and trust the staff and volunteers. A dedicated team of casual workers work alongside contracted staff, volunteers and regular agency workers to help the charity achieve this consistency of support.

WATFORD AND DISTRICT MENCAP SOCIETY

REPORT OF THE TRUSTEES

FOR THE YEAR ENDED 31 MARCH 2024

REVIEW OF THE PAST YEAR

2023-24 was a year of great change for Watford Mencap. Following a number of years of management stability during and shortly after Covid, we then experienced a sudden turnover as several managers retired or moved on after many years working for the charity. It was a difficult time and losing such knowledge and experience had an impact on both the volume and quality of service delivery, it was also challenging to then recruit and embed new managers whilst having to manage shortfalls in the front line, created by the ongoing social care recruitment crisis, which was made even more difficult due to the historical HCC underfunding of our residential care.

However, in March 2023 we received a substantial payment from the HCC sustainability fund to cover 3 years backdated fees in 2 of our residential care homes, along with new weekly fees for Hillside and also in September 2023 for Thorpedale. We also made several significant management appointments during the early spring and by summer, this along with our January 2023 uplift in frontline worker salaries led to a drop in our vacancy rate from 38% down to 10%. This eased things considerably, stopping many managers from working down to cover shifts, reducing the reliance on agency staff and ensuring greater consistency for the people we support. Thankfully by May 2024 our staff vacancy rate is now down to 6%. Our investment in recruitment and retention was a real success, however we continue to face the challenge of inducting and retaining quality staff. It is important that we remain in the top salary quartile of local social care salaries going forward. Initiatives like the introduction of Care Friends, People's choice staff recognition awards and refer a friend have all been very successful. Our staff forum continues to thrive, meeting every 3 months to discuss issues and to vote for People's Choice winners from staff nominations.

Working with the staff forum, Herts Care Providers Association and the people we support, we revisited our values and developed a new behaviours framework during the year, ready to be embedded into induction and performance management systems.

Our significant investment in staff development was acknowledged by Investors in People in January 2024, with our 3-yearly assessment. All staff completed a questionnaire and 20 staff were interviewed over 3 days. We were rated a strong silver with elements of gold and platinum, becoming one of the top 20 Investors in People Silver companies in the 50-249 employee's category for 2024. A celebration lunch was attended by over 70 staff and volunteers in March to thank all for their ongoing efforts. Much work was completed during the year, developing systems and procedures to support our new Click eLearning package and on measuring and recording staff competencies. Greater training compliance was achieved and this new knowledge and skills enabled many workers to maximise their salary moving from the £11.50 to £12 hourly rate of pay.

Following a trustee skills audit, we commissioned an agency to help us recruit new trustees to increase diversity, as well as attracting trustees with social care, IT management and fundraising skills. Managers and staff were all involved in the recruitment process and we were delighted that Nicola Cowap, a parent and retired GP became a trustee at our October AGM and Tim Morrison IT manager and Neda Mazraeh Commissioning Manager, became co-opted advisors in November 2023. This has strengthened both our board and sub committees. Our new venue and Saturday afternoon AGM timing was a great success with over 150 people enjoying a Halloween party. We held our usual senior management team business planning day in November supported by Jon Ralphs, a graphic facilitator, and a trustee and Senior management team strategy day in December 2023 generously facilitated by Katie Thorpe.

WATFORD AND DISTRICT MENCAP SOCIETY

REPORT OF THE TRUSTEES

FOR THE YEAR ENDED 31 MARCH 2024

REVIEW OF THE PAST YEAR – Continued

Very sadly we lost several residents during the last year and this resulted in a number of voids in our residential care homes, especially at Thorpedale. Following the Thorpedale fee uplift secured from HCC, we took the opportunity to complete an extensive refurbishment upgrading a bathroom, toilet, sleep in room and office along with swapping over the current kitchen into the space of a previous large double bedroom. This investment has helped to future proof the home, attracting new residents and creating more accessible living space.

With a vacancy in fundraising and the publication of HCC's Short Breaks local offer and the HCC supported living tender during the year, we used 2 freelance bid writers to strengthen the fundraising team. In May 2024, we were then awarded over £230k of children's services work for 2024-25 from HCC and in October 2024 we should hear the outcome of our HCC supported living tender. Both tenders were substantial pieces of work, which should enable these services to be sustainable for the next 3-5 years. We also submitted a stage 1 Building Communities lottery application which included funding for a communications post, advice worker, volunteer coordinator plus hub health and wellbeing activity worker. If successful this will enable us to build on our current community hub activities, enabling us to support more people with a greater variety of activities on offer. We were also successful in our application to Herts Community Foundation gaining funds to strengthen our User Voice activities over the next 6 months. Our advice service contract was extended for a further 12 months by HCC and we wait for further news re ongoing funding. The fundraising team introduced a number of new events during the year including a Makers market, quiz night and Carol concert, as well as maintaining the successful Watford 10k run and Santa Dash, both sponsored by Warner Bros. Studios Leavesden.

With Nilesh Vadhvana, our Community Operations manager in post in July 2023 it enabled us to move forward with our community services and to pick up our Doing It Together project again. We completed an annual survey of feedback from people who use our services and their families and have developed continuous service improvement plans to ensure we report back regularly on the action we are taking to make positive changes. We also worked on our suggestion box, set up 2 promotional tv's in 92a and gathered regular coffee morning feedback on changes to implement along with ideas and information to share. We continue to rent out space to local community groups by the hour in the hub and our weekly Friday coffee morning goes from strength to strength with 35 plus people often attending each week. Playskill gave notice on their 2nd floor office space and moved out in November 2023.

We waited for CQC to revisit Hillside for a full inspection following the September 2022 inadequate rating. They came in March 2023 to do a visit and were pleased with progress made, but as it was only a partial inspection they could not re-rate the service. They then came back for a full inspection in May 2024 and we await the outcome of this inspection, the first we have received following the new CQC rating methodology. Families and residents were all given appropriate opportunities by the CQC inspector to give feedback on this visit. Our day opportunities service, Thorpedale and Hillside homes and children's services all received a good rating from their HCC inspections. We have worked hard on our quality systems over the past year revising our health and safety recording and strengthening our monthly project audits. Ruth Murray our Head of Operations and health and safety lead completed her IOSH health and safety training in October 2023.

WATFORD AND DISTRICT MENCAP SOCIETY

REPORT OF THE TRUSTEES

FOR THE YEAR ENDED 31 MARCH 2024

REVIEW OF THE PAST YEAR – Continued

The Bushey shop lease expired in September 2023 and we are now holding over on our protected lease whilst rent negotiations continue with our landlord. We are very thankful for Adrian Thompson's property expertise and guidance and hope to settle on a fair rent soon for a possible 15- year term, with suitable break clauses. We strengthened the Bushey shop team during the year employing a new casual worker and more volunteers to enable the shop to increase from 5 to 6 day opening, with very positive results.

Two of our 4 cars were scrapped during the year, coming to end of life and not likely to pass MOT. We have submitted a grant application to West Herts Community Transport and have received positive feedback, its likely they may donate an accessible vehicle in their next round of funding. We plan to carry out a review of our transport needs during the next year as many frontline staff who now work for us in the residential care homes are sadly not drivers.

Following the release of funds from a 2-year fixed account with Close Brothers in October 2023, we were in a satisfactory financial position and able to pay off the outstanding loan with Charity Bank on 92a Langley Road. This was a significant achievement.

In April 2024, a planning application was approved by Watford Council for the sensory garden, allotment and play barn, we have a further £81,000 to raise to support the project but hope to commence works during 2024/5. The project is being managed for us by the charity Groundworks Hertfordshire and we are grateful to all donors. TX Maxx, Warner Bros. and Watford Council have given significant donations to support the project. We have also been very fortunate to be gifted a sanctuary garden from Hampton Court Flower Show from Tim Jennings and the RHS, which will arrive at 92a Langley Road in July 2024. The planning of and raising funds for the front entrance at 92a Langley Road will be carried forward to 2024/25.

Work continued to try and reduce the deficit on the Café in the library, and we have engaged the Cranfield Trust to help find a skilled volunteer to help us review the current service. We will be advertising for a new café manager shortly and have developed an action plan for change. Some progress has been made filling trainee slots and takings year to date are in line with budget. This project and the Care and Support agency (CSA) produced the most significant project deficits over the past year. For the CSA this was down to commissioned hours not being filled due to staff shortages from our recruitment challenges and for the café this was a mixture of vacant trainee slots and footfall. Recovery plans for both projects are ongoing and will be carried forward to 2024/25.

It was a challenging but successful year, ending the year with greater stability, improvements in quality, some exciting new projects on the horizon and a small operating surplus.

WATFORD AND DISTRICT MENCAP SOCIETY

REPORT OF THE TRUSTEES

FOR THE YEAR ENDED 31 MARCH 2024

FUNDRAISING ACTIVITIES

Watford Mencap is an independent local charity that is responsible for raising all its own funding to support local people with learning disabilities. Although affiliated to the national Royal Mencap charity, it receives no funding from them other than grants they distribute on behalf of other funders.

The charity's small team manages a portfolio of activities that generate income to fund the projects we believe are of value to our clients, but which do not attract local authority funding. By engaging in a variety of fundraising methods we believe that we are reducing our risk and ensuring we do not become over-reliant on a single source of income generation.

Our biggest fundraising source remains grants and trusts and we are grateful for the support of Watford Borough Council, Watford & Three Rivers Trust, Hertfordshire County Council and Hertfordshire Community Foundation for their ongoing support.

The Watford 10k and Santa Dash continue to welcome the community at our face-to-face events and we are grateful to Warner Bros. for their continued support in sponsoring these events. The volunteers who support these two events are invaluable and help make the runs accessible and inclusive to all. Both events enjoyed the support of local dignitaries Watford Mayor Peter Taylor and Dean Russell MP.

In addition, we held several smaller community events such as the Rickmansworth Pancake Race, a Coronation Party and a Quiz Night. We introduced a Makers market and a Carol Concert, both of which attracted new corporate sponsors as well as guests who had not previously engaged with Watford Mencap. The fundraising team have a programme of events planned for the coming months and hope to build on the positive networks and community support that have been built since the move to 92a.

We were once again a beneficiary charity of Atria Shopping Centre's Give A Gift appeal. Community groups such as Bushey & Oxhey Round Table and Shrimad Rajchandra Mission Dharampur (UK) have donated time and gifts.

The Watford Mencap lottery has completed its first year and has proved a steady income that has potential for growth. We also joined the Watford Community Lottery which has a wider reach for potential supporters.

We really treasure our strong relationship with several local businesses such as Warner Bros., TK Maxx and Homesense Foundation, Marshall Vizard and Veale Wasbrough Vizards who provide us with financial, technical and practical support.

We are also grateful to individual members of the local community that support us. Many make regular donations to us but prefer to remain anonymous.

Our profile within the Watford community has risen since the move to 92a Langley Road. As a consequence, we have been grateful to receive donations from local churches, community groups and neighbours.

We spent time this year to update our online presence, both as a fundraising tool as well as marketing our services and job opportunities. Engagement with our social media posts is increasing and we will use that momentum as part of our improved communication with supporters.

WATFORD AND DISTRICT MENCAP SOCIETY

REPORT OF THE TRUSTEES

FOR THE YEAR ENDED 31 MARCH 2024

FUNDRAISING ACTIVITIES – Continued

Our Bushey charity shop continues to be a thriving community asset that attracts quality donations resulting in vital income for the charity. The staff and volunteers are dedicated to maximising income and being the face of the charity to customers from the local area. We appointed a casual shop worker in July 2023 which enables the shop to be open 6 days per week. Early signs are positive that this is a good investment that will increase income that can support our activities.

We take great care to ensure that all our fundraising activities comply with the Fundraising Regulator's voluntary regulation scheme. The activities of our fundraising team are monitored by the fundraising manager and the chief executive. The team also works closely with supporters who wish to raise funds for the charity, providing support and guidance to ensure that events held in aid of our charity meet the requirements of the scheme. We seek to work in partnership with our supporters and to develop a long-term relationship with them. To this end, we consciously avoid exerting undue pressure on potential donors and do not participate in direct mailing or telephone solicitations. The fundraising team actively seeks feedback on its activities, both positive and negative, in order to keep improving our performance. We have a procedure to investigate any formal complaints received, and, once again, we received no complaints about our fundraising activities.

WATFORD AND DISTRICT MENCAP SOCIETY

REPORT OF THE TRUSTEES

FOR THE YEAR ENDED 31 MARCH 2024

FINANCIAL REVIEW

Financial position

The charity ended the year with an overall surplus of £12,547.

The charity aims to achieve an operating surplus each year. Building and maintaining an adequate level of reserves and ensuring financial stability is a key objective for its management team and they have been very successful in doing so.

In 2021-22 the charity suffered an operating loss due to the costs incurred during the pandemic and increasing costs in residential care which were not covered by a commensurate increase in the funding available from HCC.

The return to operating surplus in 2022-23 and 2023-24 was due entirely to HCC's recognition that the fees being paid in some of the residential homes were such as to render those homes financially unsustainable in the long run. The money provided by HCC from its sustainability funds and a later fee uplift for our Hillside and Thorpedale residential care homes to compensate for historical underfunding was extremely welcome. Looking forward, we are optimistic that the new, more realistic, bed prices will enable Watford Mencap to provide high-quality residential care services for the foreseeable future.

It remains the case, however, that providing a good level of care requires committed, well-paid staff and the entire sector remains vulnerable as a result of central government failure to tackle the issue of social care and its funding. A number of residential care homes in Hertfordshire have closed in recent years as a result. After the election held in July 2024, we hope that the incoming government will address this as a matter of urgency and provide the sector with some long-term stability.

Further detail is provided in the notes to the financial statements and the reserves section regarding the restricted funds (funds legally restricted to specific projects); general funds (unrestricted); and designated funds (set aside by the Society for specific purposes).

Voluntary/other income covers all non-statutory sources of income, primarily fundraising, grants, legacies, donations, fees, rent, charity shop and trading. These sources of income accounted for 20% (2022/23: 20%) of the charity's total income during the period.

The Individual Service Funds are received by the charity on behalf of the fund-holder and expended on services of the fund-holder's choice, be they Watford Mencap services or provided by some other organisation or individual. These funds do not impact the charity's year end results or the level of reserves.

The financial outlook remains challenging at the operating level with the need to complete the garden works at 92a Langley Road, potential voids in care homes, staffing challenges and the ongoing pressure on statutory funding sources expected to continue for several years. HCC remains the primary source of contract income in the year accounting for 80% (2022/23: 80%) of the charity's total income during the period.

The charity continues to seek other sources of income, particularly through diversifying fundraising activity and expansion to the fundraising team in June 2024, as well as continuing to develop structures and systems in order to be as cost efficient as possible.

WATFORD AND DISTRICT MENCAP SOCIETY

REPORT OF THE TRUSTEES

FOR THE YEAR ENDED 31 MARCH 2024

FINANCIAL REVIEW – Continued

As noted above, the market in which the charity operates is becoming increasingly challenging. In the face of the national and ongoing social care recruitment and retention challenge, the Society has agreed a budget for 2024-25 with a small operating surplus. This will be highly dependent on only having small numbers of voids, which are filled quickly in our residential care homes. We currently see no need to review service provision at present. While the financial position is satisfactory, planning for future years with ongoing pressures to statutory funding is extremely difficult.

Investment policy and objectives

Aside from retaining a prudent amount in reserves each year, most of the charity's income is spent on the provision of services. Cash balances are held in bank current or deposit accounts or put on fixed term deposit. Investment income was £33,102 compared with £8,985 in 2022/23, as a result of maturity of the 2 year Close Brothers account and generally higher interest rates.

The Investment policy is for long-term reserves to be deposited or invested to grow at least in line with inflation, at low risk to capital. The remainder of reserves have an investment objective of preserving the capital value with a minimum level of risk.

Reserves policy

The Society had reserves of £2,804,211 at 31 March 2024 of which £76,503 was restricted, £2,197,168 was designated (which includes fixed assets) and £530,540 represented the unrestricted general funds.

The charity's Council of Management consider that it should hold reserves to cover the cost of re-housing clients in the event that no further income is provided to Watford Mencap for housing services. In order to be able to realise the value of the freehold properties, it would be necessary to re-furbish and/or remodel the existing accommodation. There would be redundancy and related staff costs if the charity were to close these services, as well as exit costs relating to termination of services, property leases, dilapidations, etc.

Taken together, these costs are estimated to be equivalent to 6 months' operational expenditure.

Budgeted expenditure for 2024-5 is £3.9m and on this basis, the unrestricted reserves should therefore be £1.95m which is comfortably covered by the actual figure of £2,727,708.

Auditor

In accordance with the company's Articles, a resolution proposing that Mercer & Hole LLP be reappointed as auditor of the company will be put at a General Meeting.

WATFORD AND DISTRICT MENCAP SOCIETY

REPORT OF THE TRUSTEES

FOR THE YEAR ENDED 31 MARCH 2024

FUTURE PLANS

In preparing the plans for 2024/25, a number of factors were considered:

- The current policy and regulatory environment concerning social care and learning disability
- The demographic outlook and changing needs of the local population
- The impact of the external environment on Watford Mencap
- The need to roll forward the objectives from previous years which were not achieved but remain relevant
- The actions identified as priorities by the risk management process
- The actions required to sustain and improve individual services

We completed our usual face to face trustee and senior management team strategy and business planning days facilitated by Katie Thorpe, an external facilitator and Jon Ralphs a graphic facilitator. We also considered a range of current stakeholder feedback, feedback from our regular coffee mornings, staff forum and management team. This resulted in the setting of priority areas of work for the 2024-25 Business Plan.

Our vision for the next year

Doing It Together - People with learning disabilities will be at the heart of everything thing we do

- Living our values

We will remain a strong and vibrant charity, living our values, involving people with learning disabilities, so we continue to provide high quality support to people with learning disabilities and their carers.

- Serving our community

Our work is primarily based in Watford, Three Rivers and Hertsmere. We are open to opportunities beyond this area through new partnerships, where these are beneficial to the aims of Watford Mencap and the people we support – or there is evidenced need and available funding.

WATFORD AND DISTRICT MENCAP SOCIETY

REPORT OF THE TRUSTEES

FOR THE YEAR ENDED 31 MARCH 2024

FUTURE PLANS – Continued

- Being person centred

We offer a range of services and support options from cradle to grave with an emphasis on enhancing people's skills and ability to take personal responsibility. We want to ensure people are active, valued members of society who are supported by a range of services within their local community.

- Targeting our influence

We proactively seek opportunities to develop new services, funding, and new ways of influencing/ campaigning for people with learning disabilities.

- Evolving our services

Our services will continue to evolve to enable them to meet the needs of an increasing population with more complex and higher needs.

- Valuing our people

We will develop and support our skilled and committed workforce to be customer focused, flexible, proactive, and responsive to people's needs.

Volunteers are an integral part of our workforce.

- Building the infrastructure

Our developing service delivery will be supported and sustained by a responsive, flexible, and resilient infrastructure.

- Securing funding

Our Commissioned Services will be self-funding and open to possibilities of new opportunities. A robust and responsive fundraising and income generation strategy will generate income to support the expansion of our advice and information and learning and leisure non-commissioned services.

Practically this sits as 5 key areas of focus on our 2024/25 business plan

- Improving communications – website, marketing and recruiting to a new communications role
- Valuing and supporting our staff and volunteers - recruitment and retention
- Enhancing our systems – IT support provider, payroll provider and recording outcomes and impact
- Evolving our services – full occupancy, quality, transport review, café review and garden project at Langley Road
- Improved funding and finance – expanding fundraising team, extending shop lease, fee and funding negotiations with HCC

WATFORD AND DISTRICT MENCAP SOCIETY

REPORT OF THE TRUSTEES

FOR THE YEAR ENDED 31 MARCH 2024

STRUCTURE, GOVERNANCE AND MANAGEMENT

Governing document

Established in the 1950s, the organisation is a charitable company limited by guarantee, incorporated on 9 August 1991 and originally registered as a charity on 15 October 1991. The company was established under a Memorandum of Association, which sets out the object 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. There were 57 members as at 1 April 2024.

Recruitment and appointment of trustees (Council of Management)

The directors of the company are also charity trustees for the purposes of charity law and under the company's Articles are known as members of the Council of Management. Under the requirements of the Memorandum and Articles of Association, the members of the Council of Management are elected to serve for a period of three years, after which they must be re-elected at the next Annual General Meeting.

A full list of members of the Council of Management who served during the year and up to the date of this report is set out on page 1. Mindful of the focus of the charity's work on the needs of those with learning disabilities and their families, the Council of Management seeks to ensure that user and carer views are represented alongside wider business and organisational skills on the Council of Management.

Organisational structure

The Council of Management consists of up to 12 members who meet quarterly and are who are responsible for the strategic direction of the charity. At 1 April 2024, the Council of Management had 7 full members and 2 co-opted advisors - drawn from a variety of backgrounds relevant to the work of the charity - including family carers.

Day to day responsibility for provision of the services is delegated to the Chief Executive who leads the Senior Management Team. This team is responsible for ensuring that the charity delivers the business plan and that key performance indicators are met.

A new Operations subcommittee which was formed in February 2023 has given senior managers and trustees more time to explore operational issues and developments.

Monitoring of operational performance is undertaken by the Finance and Audit Committee and Operations Committee as well as the Council of Management. Our Doing It Together sub group also met regularly through the year.

Induction and training of trustees (Council of Management)

A trustee induction pack and programme are in place to ensure that all new trustees and co-opted advisors are made aware of their roles and responsibilities. This includes helping them understand their role and duties; providing copies of relevant documentation such as the Memorandum and Articles of Association, Business and Operational Plans, and accounts; and visiting sites and services, including meeting all senior managers, and ensuring compliance with the 2017 Code of Governance.

WATFORD AND DISTRICT MENCAP SOCIETY

REPORT OF THE TRUSTEES

FOR THE YEAR ENDED 31 MARCH 2024

STRUCTURE, GOVERNANCE AND MANAGEMENT - Continued

Royal Mencap

Watford Mencap is an independent charity, affiliated to the umbrella organisation Royal Mencap. Watford Mencap pays an annual affiliation fee for the right to use the Mencap name and must also comply with the requirements of the Royal Mencap Partnership Agreement which sets out minimum standards in terms of policies and procedures for organisations using the Mencap name.

There is no financial support from the national organisation, but it does have the power, under the Articles of Association, to dismiss trustees who bring the Mencap name into disrepute.

Risk management

The Council of Management regularly reviews the major risks to which the charity is exposed. A risk register outlines these risks, and the systems, procedures or actions to be taken in mitigation. The register is regularly updated, is reviewed quarterly by the Finance and Audit Committee and Council of Management and is included in the annual Business Plan.

External risks to funding are constantly monitored and alternative income sources sought. Regulatory and legal requirements are implemented and monitored to ensure the delivery of consistently high-quality services. Internal control risks are minimised by strict authorisation and monitoring procedures.

WATFORD AND DISTRICT MENCAP SOCIETY

REPORT OF THE TRUSTEES

FOR THE YEAR ENDED 31 MARCH 2024

STATEMENT OF TRUSTEES RESPONSIBILITIES

The trustees (who are also the directors of Watford and District Mencap Society for the purposes of company law) are responsible for preparing the Report of the Trustees and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

Company law requires the trustees to prepare financial statements for each financial year. Under company law the trustees must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the charitable company and of the incoming resources and application of resources, including the income and expenditure, of the charitable company 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 in the Charity SORP 2019 (FRS 102);
- make judgements and estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue in operation.

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

In so far as the trustees are aware:

- there is no relevant audit information of which the charitable company's auditors are unaware; and
- The trustees have taken all the steps that they ought to have taken in order to make themselves aware of any relevant audit information and to establish that the auditor is aware of that information.

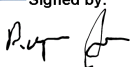
AUDITORS

The auditors, Mercer & Hole LLP, will be proposed for re-appointment at the forthcoming Annual General Meeting.

This report has been prepared in accordance with the special provisions of Part 15 of the Companies Act 2006 relating to small companies.

2/10/2024

Approved by order of the board of trustees on and signed on its behalf by:

Signed by:

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Mr R F Jones - Chair

REPORT OF THE INDEPENDENT AUDITORS TO THE MEMBERS OF WATFORD AND DISTRICT MENCAP SOCIETY

Opinion

We have audited the financial statements of Watford and District Mencap Society for the year ended 31 March 2024 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 31 March 2024 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 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 charitable company 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

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.

REPORT OF THE INDEPENDENT AUDITORS TO THE MEMBERS OF WATFORD AND DISTRICT MENCAP SOCIETY

Other information

The other information comprises the information included in the trustees 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.

Opinion on other matters prescribed by the Companies Act 2006

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

- the information given in the trustees' report (incorporating the directors' report) for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- The directors' 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 charitable company and its environment obtained in the course of the audit, we have not identified material misstatements in the report of the trustees.

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

- adequate accounting records have not been kept by the charitable company, 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
- 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 directors' report and from the requirement to prepare a strategic report.

REPORT OF THE INDEPENDENT AUDITORS TO THE MEMBERS OF WATFORD AND DISTRICT MENCAP SOCIETY

Responsibilities of trustees

As explained more fully in the statement of trustees' responsibilities set out in the report of the trustees, 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.

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.

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 specific procedures for this engagement and the extent to which these are capable of detecting irregularities, including fraud is detailed below.

Explanation as to what extent the audit was considered capable of detecting irregularities including fraud

We gained an understanding of the legal and regulatory framework applicable to the company and the industry in which it operates and considered the risk of acts by the company that were contrary to applicable laws and regulations, including fraud. These included, but were not limited to, the Companies Act 2006 and tax legislation.

We evaluated management's incentives and opportunities for fraudulent manipulation of the financial statements and the financial report (including the risk of override of controls), and determined that the principal risks were related to posting inappropriate entries including journals to overstate revenue or understate expenditure and management bias in accounting estimates.

Audit procedures performed by the engagement team included:

- discussions with management, including considerations of known or suspected instances of non-compliance with laws and regulations and fraud;
- gaining an understanding of management's controls designed to prevent and detect irregularities; and
- identifying and testing journal entries.

**REPORT OF THE INDEPENDENT AUDITORS TO THE MEMBERS OF
WATFORD AND DISTRICT MENCAP SOCIETY**

Owing to the inherent limitations of an audit, there is an unavoidable risk that we may not have detected some material misstatements in the financial statements, even though we have properly planned and performed our audit in accordance with auditing standards. For example, the further removed non-compliance with laws and regulations (irregularities) is from the events and transactions reflected in the financial statements, the less likely the inherently limited procedures required by auditing standards would identify it. In addition, as with any audit, there remained a higher risk of non-detection of irregularities, as these may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal controls. We are not responsible for preventing non-compliance and cannot be expected to detect non-compliance with all laws and regulations.

A further description of our responsibilities is available on the Financial Reporting Council's website at: [https:// www.frc.org.uk/auditorsresponsibilities](https://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 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 company's members 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 company and the company's members, as a body, for our audit work, for this report, or for the opinions we have formed.

The maintenance and integrity of the Watford and District Mencap Society website is the responsibility of the trustees; the work carried out by the auditors does not involve consideration of these matters and, accordingly, the auditors accept no responsibility for any changes that may have occurred to the financial statements since they were initially presented on the website.

DocuSigned by:

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17/10/2024
Date:

Jolene Upshall FCA
for and on behalf of Mercer & Hole LLP
Chartered Accountants
Trinity Court
Church Street
Rickmansworth
Hertfordshire
WD3 1RT

WATFORD AND DISTRICT MENCAP SOCIETY

STATEMENT OF FINANCIAL ACTIVITIES (INCLUDING INCOME AND EXPENDITURE ACCOUNT)

FOR THE YEAR ENDED 31 MARCH 2024

	Notes	General funds £	Designated funds £	Restricted funds £	Total funds 31.03.24 £	Total funds 31.03.23 £
INCOME						
Donations and legacies	3	45,804	-	50,000	95,804	48,165
Charitable activities	6					
From public authorities		2,428,953	-	303,151	2,732,104	2,736,537
Grants		27,204	-	20,596	47,800	130,345
Rental income		194,406	-	-	194,406	192,286
Fees for using facilities and services		180,378	-	-	180,378	169,101
Café income		49,689	-	-	49,689	46,115
Other trading activities	4	93,311	-	-	93,311	79,538
Investment income	5	33,102	-	-	33,102	8,985
Other income		1,971	-	-	1,971	-
Total		3,054,818	-	373,747	3,428,565	3,411,072
EXPENDITURE						
Cost of Raising funds	7					
Fundraising activities		65,631	-	-	65,631	56,864
Other trading activities		54,371	-	-	54,371	45,008
Charitable activities	8					
Advice and information		6,468	-	14,896	21,364	39,203
Learning and leisure		779,953	-	5,600	785,553	630,614
Right support		2,185,673	-	303,282	2,488,955	2,315,927
Total		3,092,096	-	323,778	3,415,874	3,087,616
Net income	9	(37,278)	-	49,969	12,691	323,456
Transfers between funds	21	85,320	(49,768)	(35,552)	-	-
OTHER RECOGNISED GAINS						
Actuarial losses relating to pension scheme deficit	19	(738)	-	-	(738)	(56)
Gain on disposal of fixed assets	10	594	-	-	594	-
Net movement in funds		47,898	(49,768)	14,417	12,547	323,400
RECONCILIATION OF FUNDS						
Total funds brought forward	13	482,642	2,246,936	62,086	2,791,664	2,468,264
TOTAL FUNDS CARRIED FORWARD	20	530,540	2,197,168	76,503	2,804,211	2,791,664

All income and expenditure has arisen from continuing activities.

The notes form part of these financial statements

WATFORD AND DISTRICT MENCAP SOCIETY

BALANCE SHEET

AT 31 MARCH 2024

	Notes	31.03.24 £	31.03.23 £
FIXED ASSETS			
Tangible assets	14	2,190,727	2,185,252
CURRENT ASSETS			
Debtors	15	108,185	681,118
Cash at bank		<u>1,052,100</u>	<u>774,504</u>
		1,160,285	1,455,622
CREDITORS			
Amounts falling due within one year	16	(537,877)	(579,989)
NET CURRENT ASSETS			
		<u>622,408</u>	<u>875,633</u>
TOTAL ASSETS LESS CURRENT LIABILITIES			
		2,813,135	3,060,885
CREDITORS			
Amounts falling due after more than one year	17	-	(250,117)
PROVISIONS			
	19	(8,924)	(19,104)
NET ASSETS			
		<u>2,804,211</u>	<u>2,791,664</u>
FUNDS			
Unrestricted funds	21	2,727,708	2,729,578
Restricted funds		<u>76,503</u>	<u>62,086</u>
TOTAL FUNDS			
		<u>2,804,211</u>	<u>2,791,664</u>

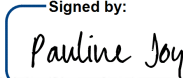
These financial statements have been prepared in accordance with the special provisions of Part 15 of the Companies Act 2006 relating to small charitable companies.

2/10/2024

The financial statements were approved by the Board of Trustees on and were signed on its behalf by:

Signed by:

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 Mr R F Jones –Trustee (Chair)

Signed by:

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 Mrs P Joy –Trustee (acting Vice Chair, Treasurer)

REGISTERED COMPANY NUMBER: 02636705 (England and Wales)

REGISTERED CHARITY NUMBER: 1004431

The notes form part of these financial statements

WATFORD AND DISTRICT MENCAP SOCIETY**CASH FLOW STATEMENT****FOR THE YEAR ENDED 31 MARCH 2024**

		31.03.24	31.03.23
	Notes	£	£
Cash flows from operating activities:			
Net cash (used in) provided by operating activities	28	528,133	(280,650)
Interest paid		(11,766)	(13,280)
Cash flows from investing activities:			
Interest received		33,102	8,985
Acquisition of fixed assets	14	(17,953)	-
Proceeds on disposal of fixed assets	10	594	-
Net cash provided by (used in) investing activities		15,743	8,985
Cash flows from financing activities:			
Repayment of bank loans	18	(254,514)	-
Net cash (used in) provided by financing activities		(254,514)	-
Change in cash and cash equivalents in the reporting period		277,596	(284,945)
Cash and cash equivalents at the beginning of the reporting period		774,504	1,059,449
Cash and cash equivalents at the end of the reporting period		1,052,100	774,504

The notes form part of these financial statements

WATFORD AND DISTRICT MENCAP SOCIETY

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2024

1. COMPANY INFORMATION

Watford and District Mencap Society is a public benefit entity registered as a charity in England and Wales and a company limited by guarantee. It was incorporated on 9 August 1991 (company number: 02636705) and registered as a charity on 15 October 1991 (charity number: 1004431).

The company was established 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 charitable company being wound up, members are required to contribute an amount not exceeding £1 each.

The registered office of the charity is: 92a Langley Road, Watford, Hertfordshire, England, WD17 4PJ.

2. ACCOUNTING POLICIES

Basis of preparing the financial statements

The financial statements of the charitable company, which is a public benefit entity under FRS 102, 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 financial statements in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2019)', Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' and the Companies Act 2006. The financial statements have been prepared under the historical cost convention. Assets and liabilities are initially recognised at historical cost or transaction value unless otherwise stated in the relevant accounting policy note(s).

Preparation of the financial statements on a going concern basis

The financial statements are drawn up on the going concern basis which assumes Watford and District Mencap Society will continue in operational existence for the foreseeable future. The Council of Management have given due consideration to the working capital and cash flow requirements of Watford and District Mencap Society. The Council of Management consider Watford and District Mencap Society's current and forecast cash

WATFORD AND DISTRICT MENCAP SOCIETY**NOTES TO THE FINANCIAL STATEMENTS - CONTINUED****FOR THE YEAR ENDED 31 MARCH 2024**

2. ACCOUNTING POLICIES - continued

resources to be sufficient to cover the working capital requirements of the charity for at least 12 months from the date of signing the financial statements.

Critical accounting judgements and key sources of estimation uncertainty

The preparation of the financial statements requires the Council of Management to make judgements, estimates and assumptions that affect the amounts reported for assets and liabilities as at the balance sheet date and the amounts reported for income and expenditure during the period. However, the nature of estimation means that actual outcomes could differ from those estimates.

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

Income

Income is recognised when the charity has entitlement to the funds, any performance conditions attached to the item(s) of income have been met, it is probable that the income will be received and the amount can be measured reliably. Income received in advance of a service is deferred until the criteria for income recognition are met. Income arises in the United Kingdom.

Income from government and other grants, whether 'capital' grants or 'revenue' grants, is recognised when the charity has entitlement to the funds, any performance conditions attached to the grants have been met, it is probable that the income will be received and the amount can be measured reliably and is not deferred.

For legacies, entitlement is taken as the earlier of the date on which either: the charity is aware that probate has been granted, the estate has been finalised and notification has been made by the executor(s) to the Trust that a distribution will be made, or when a distribution is received from the estate. Receipt of a legacy, in whole or in part, is only considered probable when the amount can be measured reliably and the charity has been notified of the executor's intention to make a distribution. Where legacies have been notified to the charity, or the charity is aware of the granting of probate, and the criteria for

WATFORD AND DISTRICT MENCAP SOCIETY**NOTES TO THE FINANCIAL STATEMENTS - CONTINUED****FOR THE YEAR ENDED 31 MARCH 2024**

2. ACCOUNTING POLICIES - continued

income recognition have not been met, then the legacy is treated as a contingent asset and disclosed if material.

Gifts in kind are valued at estimated value to the charity. They are included in the charity's financial statements if the estimated value is in excess of £500.

Interest receivable on funds held on deposit is included when receivable and the amount can be measured reliably by the charity; this is normally upon notification of the interest paid or payable by the bank.

Unrestricted charitable donations are recognised in the financial statements when the charitable donation has been received or if before receipt, there is sufficient evidence to provide the necessary certainty that the donation will be received and the value of the incoming resources can be measured with sufficient reliability.

Donated professional services and facilities are recognised as income when the charity has control over the item, any conditions associated with the donated item have been met, the receipt of economic benefit from the use by the charity of the item is probable and that economic benefit can be measured reliably. In accordance with the Charities SORP (FRS 102), the general volunteer time is not recognised. On receipt, donated professional services and facilities are recognised on the basis of the value of the gift to the charity which is the amount the charity would have been willing to pay to obtain services or facilities of equivalent economic benefit on the open market; a corresponding amount is then recognised in expenditure in the period of receipt.

Expenditure

Liabilities are recognised as expenditure as soon as there is a legal or constructive obligation committing the charity to that expenditure, 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 accounted for on an accruals basis and has been classified under headings that aggregate all costs related to the category. Where costs cannot be directly attributed to particular headings they have been allocated to activities on a basis consistent with the use of resources. A further analysis of this expenditure is given in the notes to the financial statements.

- Cost of raising funds comprises fundraising activities and commercial trading, including their associated support costs.
- Expenditure on charitable activities includes the costs of the charity's services undertaken to further the purpose of the charity and their associated support costs.
- Other expenditure represents those items not falling into any other heading.

WATFORD AND DISTRICT MENCAP SOCIETY**NOTES TO THE FINANCIAL STATEMENTS - CONTINUED****FOR THE YEAR ENDED 31 MARCH 2024**

2. ACCOUNTING POLICIES - continued**Tangible fixed assets**

Tangible fixed assets, are initially measured at historic cost and subsequently carried at cost less accumulated depreciation and any accumulated impairment losses. All costs incurred to bring an asset into its intended working condition are included in the measurement of cost. Assets are capitalised where the purchase price exceeds £500. The cost of properties is their purchase price together with the cost of improvement works.

At the reporting date, the Council of Management assess, without actually revaluing those assets, whether there is any indication that an asset may be impaired. An impairment loss is recognised if the recoverable amount of an asset is less than its carrying amount.

Depreciation is provided at rates calculated to write down the cost of each asset to its residual value (its scrap or realistic value at the end of its economic life) on a systematic basis over its useful economic life. The assets' residual values and useful lives are reviewed, and adjusted, if appropriate, at the end of each reporting period. The effect of any change is accounted for prospectively.

The main depreciation rates in use are as follows:

- Land - 0% assumed to have an unlimited useful life
- Freehold property - 2% on cost
- Fixtures and fittings - 25% reducing balance
- Motor vehicles - 25% reducing balance

Freehold properties acquired prior to 1 April 1996 are not depreciated as the historical cost between land and buildings cannot be reliably segregated. The Council of Management are satisfied, as the freehold properties are maintained to a good standard, that the aggregate value of the freehold properties at the reporting date is not less than the aggregate amount at which they are stated in the charity's financial statements. The freehold properties are accordingly stated in the financial statements on the basis that the residual value is greater than the asset's carrying amount and the depreciation charge is zero until its residual value subsequently decreases to an amount below the carrying amount.

Cash and cash equivalents

Cash and cash equivalents include cash in hand, deposits held at call with banks, other short-term liquid investments with original maturities of three months or less, and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities.

WATFORD AND DISTRICT MENCAP SOCIETY**NOTES TO THE FINANCIAL STATEMENTS - CONTINUED****FOR THE YEAR ENDED 31 MARCH 2024**

2. ACCOUNTING POLICIES - continued**Taxation**

The charity is an institution which is established for charitable purposes within the meaning of the Charities Act 2011 and as such is a charity within the meaning of Para 1 of Schedule 6 to the Finance Act 2010. Accordingly, the charity is potentially exempt from taxation in respect of income or capital gains received within categories covered by Sections 478-488 of the Corporation Tax Act 2010 (formerly enacted in Section 505 of the Income and Corporation Taxes Act 1988) or Section 256 of the Taxation of Chargeable Gains Act 1992 to the extent that such income or gains are applied to exclusively charitable purposes. The charity receives no similar exemption in respect of Value Added Tax.

The charity is exempt from corporation tax on its charitable activities.

The charity is not registered for VAT, as the Council of Management consider the charity's incoming resources are exempt from VAT. VAT is included within the attributable cost under resources expended.

Pension costs and other post-retirement benefits

The charity made contributions to a defined benefit pension scheme on behalf of its employees up to September 2001. See note 25 for further information regarding this scheme.

The charity operates a defined contribution pension scheme. The assets of the scheme are held separately from those of the charity in an independently administered fund. The pension costs represent contributions payable under the scheme by the charity to the fund. The charity has no liability under the scheme other than for the payment of those contributions.

Contributions outstanding at the balance sheet date amounted to £11,887 (2023: £10,587).

Operating leases

Rentals under operating leases are charged on a straight-line basis over the lease term, even if the payments are not made on such a basis. Benefits received and receivable as an incentive to sign an operating lease are similarly spread on a straight-line basis over the lease term which runs to the date of the first relevant break clause.

Provision

Provision is made for present obligations where it is probable settlement will be required in the future and the amount can be estimated reliably, but the amount or timing is not certain.

WATFORD AND DISTRICT MENCAP SOCIETY**NOTES TO THE FINANCIAL STATEMENTS - CONTINUED****FOR THE YEAR ENDED 31 MARCH 2024**

2. ACCOUNTING POLICIES - continued

The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the reporting end date, taking into account the risks and uncertainties surrounding the obligation. Where the effect of the time value of money is material, the amount expected to be required to settle the obligation is recognised at present value. When a provision is measured at present value, the unwinding of the discount is recognised as a finance cost in net income/(expenditure) in the period in which it arises.

Basic financial instruments

Financial assets (including cash and debtors) and financial liabilities are recognised when the charity becomes a party to the contractual provisions of the instrument. Additionally, all financial assets and liabilities are classified according to the substance of the contractual arrangements entered into.

Financial assets and liabilities are initially measured at transaction price (including transaction costs) and are subsequently remeasured where applicable at amortised cost.

Financial assets include cash, trade debtors and other debtors.

Financial liabilities include trade creditors, other creditors and accruals.

Fund accounting

General funds are available to spend on activities that further any of the purposes of the charity.

Designated funds are unrestricted funds of the charity which the Council of Management have decided at their discretion to set aside to use for a specific purpose.

Restricted funds are donations which the donor has specified are to be solely used for particular areas of the charity's work or for specific projects being undertaken by the charity.

Further explanation of the nature and purpose of each fund is included in note 21.

Funds are reviewed annually by the Council of Management and transfers are made between funds in order to meet the strategic objectives of the charity's business plan.

WATFORD AND DISTRICT MENCAP SOCIETY

NOTES TO THE FINANCIAL STATEMENTS - CONTINUED

FOR THE YEAR ENDED 31 MARCH 2024

3. DONATIONS AND LEGACIES

	31.03.24	31.03.23
	£	£
Donations	94,157	47,668
Legacies	1,647	497
	<u>95,804</u>	<u>48,165</u>

4. OTHER TRADING ACTIVITIES

	31.03.24	31.03.23
	£	£
Shop income	79,202	63,720
Other fundraising activities	14,109	15,818
	<u>93,311</u>	<u>79,538</u>

5. INVESTMENT INCOME

	31.03.24	31.03.23
	£	£
Bank and Building Society interest	33,102	8,985

6. INCOME FROM CHARITABLE ACTIVITIES

	31.03.24	31.03.23
	£	£
From public authorities *	2,732,104	2,736,537
Grants	47,800	130,345
Rental income	194,406	192,286
Fees for using facilities and services	180,378	169,101
	<u>3,154,688</u>	<u>3,228,269</u>

* Includes income generated by the Fundraising team participating in Hertfordshire County Council tenders.

WATFORD AND DISTRICT MENCAP SOCIETY
NOTES TO THE FINANCIAL STATEMENTS - CONTINUED
FOR THE YEAR ENDED 31 MARCH 2024

7. COSTS OF RAISING FUNDS

Fundraising activities	31.03.24	31.03.23
	£	£
Raising income	<u>65,631</u>	<u>56,864</u>
Other trading activities	31.03.24	31.03.23
	£	£
Shop expenditure	<u>54,371</u>	<u>45,008</u>
	<u>54,371</u>	<u>45,008</u>
Aggregate fund raising expenditure	<u>120,002</u>	<u>101,872</u>

8. CHARITABLE ACTIVITIES COST

	Direct costs	Support costs	Total 31.03.24	Total 31.03.23
	£	£	£	£
Advice and information	11,611	9,753	21,364	39,203
Learning and leisure	616,273	169,280	785,553	630,614
Right support	<u>2,326,668</u>	<u>162,287</u>	<u>2,488,955</u>	<u>2,315,927</u>
	<u>2,954,552</u>	<u>341,320</u>	<u>3,295,872</u>	<u>2,985,744</u>

9. NET INCOME

Net income is stated after crediting/(charging):	31.03.24	31.03.23
	£	£
Occupancy lease income	194,406	192,286
Depreciation - owned assets (note 14)	(12,478)	(11,272)
Auditor's remuneration – audit	(10,260)	(8,300)
Auditor's remuneration – non-audit	(1,159)	(2,350)
Occupancy licence/lease costs	<u>(115,627)</u>	<u>(118,244)</u>

10. GAIN ON DISPOSAL OF FIXED ASSETS

The gain of £594 arose on the disposal of motor vehicles.

WATFORD AND DISTRICT MENCAP SOCIETY**NOTES TO THE FINANCIAL STATEMENTS - CONTINUED****FOR THE YEAR ENDED 31 MARCH 2024****11. TRUSTEES' REMUNERATION AND BENEFITS**

No trustees' remuneration or other benefits were paid either for the year ended 31 March 2024 or the previous year.

No trustee received payment for professional or other services supplied to the charity. Unrestricted donations totalling £1,086 (2023: £760) were received from trustees in the year.

The trustees were able to use services used generally by beneficiaries and members of the charity.

Trustees' expenses

No trustees' expenses were paid, either for the year ended 31 March 2024 or the previous year.

12. STAFF COSTS

Total staff costs were as follows:

	31.03.24	31.03.23
	£	£
Wages and salaries	2,257,755	1,942,201
Social security costs	165,537	156,239
Pension costs (note 19)	57,981	54,592
	<u>2,481,273</u>	<u>2,153,032</u>

The average number of employees during the year was as follows:

	31.03.24	31.03.23
Office management	26	28
Support workers	144	133
	<u>170</u>	<u>161</u>

One employee received emoluments in excess of £80,000 (2023: 1 employee received emoluments in excess of £60,000).

The charity pays contributions into a group scheme with the Pensions Trust. The pension cost for the year was £57,981 (2023: £54,592).

The key management personnel of the charity comprise the Council of Management, the Chief Executive, the Finance Manager, the HR Manager, the Head of Operations Manager and the Fundraising Manager. The total employee benefits, including pension contributions, of the key management personnel of the charity were £246,589 (2023: £235,019).

WATFORD AND DISTRICT MENCAP SOCIETY

NOTES TO THE FINANCIAL STATEMENTS - CONTINUED

FOR THE YEAR ENDED 31 MARCH 2024

13. COMPARATIVES FOR THE STATEMENT OF FINANCIAL ACTIVITIES

FOR THE YEAR ENDED 31 March 2023

	Notes	General funds £	Designated funds £	Restricted funds £	Total funds 31.03.23 £
Donations and legacies	3	48,165	-	-	48,165
Charitable activities	6				
From public authorities		2,419,345	-	317,192	2,736,537
Grants		15,474	-	114,871	130,345
Rental income		192,286	-	-	192,286
Fees for using facilities and services		169,101	-	-	169,101
Café income		46,115	-	-	46,115
Other trading activities	4	79,538	-	-	79,538
Investment income	5	8,985	-	-	8,985
Other income		-	-	-	-
Total		2,979,009	-	432,063	3,411,072
EXPENDITURE					
Cost of Raising funds	7				
Fundraising activities		56,864	-	-	56,864
Other trading activities		45,008	-	-	45,008
Charitable activities	8				
Advice and information		18,203	-	21,000	39,203
Learning and leisure		602,245	-	28,369	630,614
Right support		1,968,733	52	347,142	2,315,927
Total		2,691,053	52	396,511	3,087,616
Net (expenditure) income	9	287,956	(52)	35,552	323,456
Exceptional Item	10	-	-	-	-
Transfers between funds	21	148,229	(148,229)	-	-
OTHER RECOGNISED GAINS					
Release of sleep-in payments provision	19	-	-	-	-
Actuarial gains relating to pension scheme deficit	19	(56)	-	-	(56)
Gain on disposal of fixed assets	14	-	-	-	-
Net movement in funds		436,129	(148,281)	35,552	323,400
RECONCILIATION OF FUNDS					
Total funds brought forward	13	46,513	2,395,217	26,534	2,468,264
TOTAL FUNDS CARRIED FORWARD	20	482,642	2,246,936	62,086	2,791,664

WATFORD AND DISTRICT MENCAP SOCIETY

NOTES TO THE FINANCIAL STATEMENTS - CONTINUED

FOR THE YEAR ENDED 31 MARCH 2024

14. TANGIBLE FIXED ASSETS

	Land and buildings £	Fixtures and fittings £	Motor vehicles £	Totals £
COST				
At 1 April 2023	2,202,524	31,956	29,850	2,264,330
Addition	17,298	-	655	17,953
Disposal	-	(6,851)	(22,000)	(28,851)
At 31 March 2024	<u>2,219,822</u>	<u>25,105</u>	<u>8,505</u>	<u>2,253,432</u>
DEPRECIATION				
At 1 April 2023	17,272	31,956	29,850	79,078
Charge for year	12,314	-	164	12,478
Eliminated on disposal	-	(6,851)	(22,000)	(28,851)
At 31 March 2024	<u>29,586</u>	<u>25,105</u>	<u>8,014</u>	<u>62,705</u>
NET BOOK VALUE				
At 31 March 2024	<u>2,190,236</u>	<u>-</u>	<u>491</u>	<u>2,190,727</u>
At 31 March 2023	<u>2,185,252</u>	<u>-</u>	<u>-</u>	<u>2,185,252</u>

Included in cost of land and buildings is freehold property of £1,019,822 (2023:£1,002,524) and land of £1,200,000 (2023:£1,200,000).

15. DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	31.03.24 £	31.03.23 £
Trade debtors	77,718	630,094
Other debtors	6,829	-
Prepayments and accrued income	<u>23,638</u>	<u>51,024</u>
	<u>108,185</u>	<u>681,118</u>

16. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	31.03.24 £	31.03.23 £
Trade creditors	130,090	72,759
Other creditors	17,795	59,683
Individual service funds	112,002	135,038
Accruals	244,687	239,925
Deferred income	33,303	68,187
Bank loans	18 -	4,397
	<u>537,877</u>	<u>579,989</u>

WATFORD AND DISTRICT MENCAP SOCIETY**NOTES TO THE FINANCIAL STATEMENTS - CONTINUED****FOR THE YEAR ENDED 31 MARCH 2024****17. CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR**

		31.03.24	31.03.23
		£	£
Bank loans	18	-	<u>250,117</u>
		-	<u>250,117</u>

18. BORROWINGS

		31.03.24	31.03.23
		£	£
Loans		-	<u>254,514</u>
Payable within one year		-	4,397
Payable after one year		-	<u>250,117</u>

Amounts included above which fall due after five years:

Payable by instalments		-	<u>229,313</u>
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The loan was secured over the assets and undertakings of the charity by way of fixed and floating charges and was repaid in full during the year.

WATFORD AND DISTRICT MENCAP SOCIETY**NOTES TO THE FINANCIAL STATEMENTS - CONTINUED****FOR THE YEAR ENDED 31 MARCH 2024****19. PROVISIONS**

	31.03.24	31.03.23
	£	£
Pension deficit funding arrangement	<u>8,924</u>	<u>19,104</u>
	<u>8,924</u>	<u>19,104</u>
Pension deficit funding arrangement		
Reconciliation of opening and closing provision		
	31.03.24	31.03.23
	£	£
Provision at start of period	19,104	29,966
Unwinding of the discount factor (interest expense)	731	566
Deficit reduction payment	(10,918)	(10,918)
Remeasurements - impact of changes in assumptions	7	(510)
Remeasurements - amendments to the contribution schedule	<u>-</u>	<u>-</u>
Provision at end of period	<u>8,924</u>	<u>19,104</u>
Actuarial losses (gains) relating to pension scheme deficit		
	31.03.24	31.03.23
	£	£
Unwinding of the discount factor (interest expense)	731	566
Remeasurements - impact of changes in assumptions	7	(510)
Remeasurements - amendments to the contribution schedule	<u>-</u>	<u>-</u>
Actuarial losses relating to pension scheme deficit	<u>738</u>	<u>56</u>
Contributions paid (see note below)	<u>57,981</u>	<u>54,592</u>
Costs recognised in staff costs	<u>57,981</u>	<u>54,592</u>

Note

Includes payments in respect of a defined contribution scheme and service contributions (i.e. excluding deficit reduction payments) in respect of a defined benefit scheme which is now treated as a defined contribution scheme.

More details are disclosed in the pensions note 25.

WATFORD AND DISTRICT MENCAP SOCIETY

NOTES TO THE FINANCIAL STATEMENTS - CONTINUED

FOR THE YEAR ENDED 31 MARCH 2024

20. ANALYSIS OF NET ASSETS BETWEEN FUNDS

Current year	General funds	Designated funds	Restricted funds	Total funds
	£	£	£	31.03.24 £
Fixed assets	-	2,190,727	-	2,190,727
Current assets	1,077,341	6,441	76,503	1,160,285
Current liabilities	(537,877)	-	-	(537,877)
Non-current liabilities	-	-	-	-
Provision	(8,924)	-	-	(8,924)
	<u>530,540</u>	<u>2,197,168</u>	<u>76,503</u>	<u>2,804,211</u>
Comparative year	General funds	Designated funds	Restricted funds	Total funds
	£	£	£	31.03.23 £
Fixed assets	-	2,185,252	-	2,185,252
Current assets	1,077,338	316,198	62,086	1,455,622
Current liabilities	(575,592)	(4,397)	-	(579,989)
Non-current liabilities	-	(250,117)	-	(250,117)
Provision	(19,104)	-	-	(19,104)
	<u>482,642</u>	<u>2,246,936</u>	<u>62,086</u>	<u>2,791,664</u>

21. MOVEMENT IN FUNDS

Current year	At 01.04.23	Income	Expenditure	Other gains and losses	Transfers	At 31.03.24
		£	£	£	£	£
Unrestricted funds						
General funds	482,642	3,054,818	(3,092,096)	(144)	85,320	530,540
Designated - Repairs and building	75,653	-	-	-	-	75,653
Designated - Charles Hatch Bequest	25,070	-	-	-	-	25,070
Designated - Malcom legacy	30,491	-	-	-	-	30,491
Designated - Transport	34,372	-	-	-	-	34,372
Designated - Tangible fixed assets	1,930,740	-	-	-	-	1,930,740
Designated - Pension	150,610	-	-	-	(49,768)	100,842
	<u>2,729,578</u>	<u>3,054,818</u>	<u>(3,092,096)</u>	<u>(144)</u>	<u>35,552</u>	<u>2,727,708</u>
Restricted funds						
Advice	-	14,896	(14,896)	-	-	-
Afterschool Club	-	3,100	(3,100)	-	-	-
Berrywood	-	100	(100)	-	-	-
Bumble Club	-	2,500	(2,500)	-	-	-
Hertfordshire Mencaps	1,284	-	(31)	-	-	1,253
Individual Service Funds	-	303,151	(303,151)	-	-	-
Hillside	-	-	-	-	-	-
Learning and leisure	-	-	-	-	-	-
Legacy	25,250	-	-	-	(25,250)	-
Garden and Landscape project	-	50,000	-	-	25,250	75,250
Wolfson Foundation	35,552	-	-	-	(35,552)	-
	<u>62,086</u>	<u>373,747</u>	<u>(323,778)</u>	<u>-</u>	<u>(35,552)</u>	<u>76,503</u>
TOTAL FUNDS	<u>2,791,664</u>	<u>3,428,565</u>	<u>(3,415,874)</u>	<u>(144)</u>	<u>-</u>	<u>2,804,211</u>

WATFORD AND DISTRICT MENCAP SOCIETY

NOTES TO THE FINANCIAL STATEMENTS - CONTINUED

FOR THE YEAR ENDED 31 MARCH 2024

21. MOVEMENT IN FUNDS - continued

Comparative year	At 01.04.22	Income £	Expenditure £	Other gains and losses £	Transfers £	At 31.03.23 £
Unrestricted funds						
General funds	46,513	2,979,009	(2,691,053)	(56)	148,229	482,642
Designated - Repairs and building	75,653	-	-	-	-	75,653
Designated - Charles Hatch Bequest	25,122	-	(52)	-	-	25,070
Designated - Malcom legacy	30,491	-	-	-	-	30,491
Designated - Transport	34,372	-	-	-	-	34,372
Designated - Tangible fixed assets	1,936,487	-	-	-	(5,747)	1,930,740
Designated - Pension	293,092	-	-	-	(142,482)	150,610
	<u>2,441,730</u>	<u>2,979,009</u>	<u>(2,691,105)</u>	<u>(56)</u>	<u>-</u>	<u>2,729,578</u>
Restricted funds						
Advice	-	21,000	(21,000)	-	-	-
Afterschool Club	-	28,369	(28,369)	-	-	-
Berrywood	-	7,500	(7,500)	-	-	-
Café	-	22,450	(22,450)	-	-	-
Hertfordshire Mencaps	1,284	-	-	-	-	1,284
Individual Service Funds	-	317,192	(317,192)	-	-	-
Hillside	-	-	-	-	-	-
Learning and leisure	-	-	-	-	-	-
Legacy	25,250	-	-	-	-	25,250
Shop	-	-	-	-	-	-
Technology	-	-	-	-	-	-
Wolfson Foundation	-	35,552	-	-	-	35,552
	<u>26,534</u>	<u>432,063</u>	<u>(396,511)</u>	<u>-</u>	<u>-</u>	<u>62,086</u>
TOTAL FUNDS	<u>2,468,264</u>	<u>3,411,072</u>	<u>(3,087,616)</u>	<u>(56)</u>	<u>-</u>	<u>2,791,664</u>

Unrestricted funds:

General funds are the "free" reserves after allowing for all designated funds.

Designated funds are amounts that have been put aside at the discretion of the Council of Management for specific purposes, as follows:

Repairs and building - funds set aside for the maintenance of and future liabilities arising from the properties owned and managed by the charity.

Charles Hatch Bequest - funds from which, at the discretion of the Council of Management, small grants may be made to people with disabilities who are in urgent need.

Malcom Legacy - funds from which, at the discretion of the Council of Management, will be used for garden works and the play barn.

Transport - funds set aside to replace the charity's vehicles at the end of their useful lives.

Tangible fixed assets - funds set aside to replace the charity's assets at the end of their useful lives.

Pension - funds set aside to cover potential employer debt on withdrawal from pension scheme.

WATFORD AND DISTRICT MENCAP SOCIETY

NOTES TO THE FINANCIAL STATEMENTS - CONTINUED

FOR THE YEAR ENDED 31 MARCH 2024

21. MOVEMENT IN FUNDS – continued

Restricted funds:

The restricted funds of the charity are all income funds. The funds are subject to conditions imposed by the donors and are for the following reasons:

Advice – funds restricted for direct costs of providing advice and information service.

Afterschool club – funds restricted for the direct costs involved with providing after school activities for children and young people.

Berrywood – funds restricted for the direct costs involved in the residential care home.

Café – funds restricted for the setup of the café in the Watford central library.

Hertfordshire Mencaps - partnership grant held for Hertfordshire Mencaps.

Individual Service Funds - funds restricted for the provision of individual personalised services.

Hillside – roof repairs.

Learning and leisure - funds restricted for the provision of learning and leisure activities.

Legacy - legacy to be utilised for specific projects.

Shop – funds restricted for the direct costs involved with the Bushey charity shop.

Technology - funds restricted for the delivery of a technology club for children and young people.

Garden and Landscape project – funds restricted to build a playbarn.

Transfers:

A transfer of £49,768 (2023: £142,482) has been made from the designated pension fund to general funds and a transfer of £35,552 from restricted funds to general funds.

22. RELATED PARTY DISCLOSURES

There were no related party transactions for the year ended 31 March 2024 nor for the year ended 31 March 2023.

23. ULTIMATE CONTROLLING PARTY

In the opinion of the trustees the charity does not have an ultimate controlling party. There has been no change between the reporting date and date of approval of the financial statements.

24. EVENTS AFTER THE REPORTING PERIOD

Events after the reporting date are those events, favourable or unfavourable, that occur between the balance sheet date and the date when the financial statements are authorised. There are no adjusting events after the reporting period which will have a material effect on the financial statements of the charity.

WATFORD AND DISTRICT MENCAP SOCIETY**NOTES TO THE FINANCIAL STATEMENTS - CONTINUED****FOR THE YEAR ENDED 31 MARCH 2024**

25. PENSIONS**The Pensions Trust - Growth Plan Scheme****Background**

The charity participates in the above Scheme. The Scheme is funded and is not-contracted out of the State scheme.

Contributions paid by the charity into the Scheme up to and including September 2001 were converted to defined amounts of pension payable from the National Retirement Date. This scheme is known as Growth Plan Series 3 ("GP3"). From October 2001 contributions from the charity were invested in personal funds which are converted to a pension on retirement, either within the Scheme or by the purchase of an annuity. This scheme is known as Growth Plan Series 4 ("GP4").

GP3 closed to further contributions from 30 September 2013, and during that year the charity consulted with employees and decided to offer GP4 from 1 October 2013 rather than exit the Scheme altogether and closed GP3 to new entrants. GP4 is deemed to be a "qualifying scheme" for the purposes of Auto Enrolment, and is in use by the charity as an Auto-Enrolment vehicle since its staging date of 1 May 2014. As at the balance sheet date there were 70 (2023: 70) active members of the Scheme employed by the charity.

The Pensions Act 2011 changed the definition of Money Purchase schemes, following which GP3 was classified as a defined benefit scheme. As a result, any liabilities within this Scheme must be included in the calculation of any debt on withdrawal.

It is not possible in the normal course of events to identify on a reasonable and consistent basis the share of underlying assets and liabilities belonging to individual participating employers because the Scheme is a multi-employer scheme, where the assets are co-mingled for investment purposes, and benefits are paid out of the Scheme's total assets.

Employer's debt on withdrawal

An employer debt will arise if the Scheme is wound up; a participating employer becomes insolvent; ceases to participate in the Scheme, or ceases to exist.

A debt liability will not crystallise as long as the charity continues to employ an active member of the Scheme. Note that failure to submit the Additional Contributions (see below) may result in the Trustee terminating the employer's participation in the Scheme, resulting in a cessation event. Should the charity withdraw from the Scheme, the actual debt figure would have to be calculated by the Scheme actuary at the date of withdrawal.

WATFORD AND DISTRICT MENCAP SOCIETY**NOTES TO THE FINANCIAL STATEMENTS - CONTINUED****FOR THE YEAR ENDED 31 MARCH 2024**

25. PENSIONS - continued**Valuation**

The Scheme Trustee commissions an actuarial valuation of the Scheme every three years. The most recent valuation was at 30 September 2020 (previous valuation was at 30 September 2017). The purpose of the actuarial valuation is to determine the funding position of the Scheme by comparing the assets with past service liabilities as at the valuation date. Asset values are calculated by reference to market levels. Accrued past service liabilities are valued by discounting expected future benefit payments using a discount rate calculated by reference to the expected future investment returns.

The valuation at 30 September 2020 was performed by a professionally qualified Actuary using the Projected Unit Method. The market value of the Scheme's assets at the valuation date was £800 million (30 September 2017: £795 million) and the Scheme's Technical Provisions (i.e. past service liabilities) were £832 million (30 September 2017: £927 million). The valuation therefore revealed a shortfall of assets compared with the value of liabilities of £32 million (30 September 2017: £132 million).

Buy Out Basis of valuation

The buy out (or, solvency) basis is the statutorily prescribed basis for calculating an employer's debt on withdrawal. It is also known as a "Section 75 debt" from that part of the Pensions Act 2004.

The debt for the Scheme as a whole is calculated by comparing the liabilities for the Scheme (calculated on a buy-out basis i.e. the cost of securing benefits by purchasing annuity policies from an insurer, plus an allowance for expenses) with the assets of the scheme. If the liabilities exceed the assets there is a buy-out debt.

Insurance companies tend to price annuities based on conservative assumptions for future investment returns and build in a risk allowance or safety margin to allow for the fact that the benefits are guaranteed. An element of profit is also included in the calculation. As a result, buy-out liabilities of the Scheme are significantly higher than the ongoing liabilities.

The leaving employer's share of the buy-out debt is the proportion of the Scheme's liability attributable to employment with the leaving employer compared to the total amount of the Scheme's liabilities (relating to employment with all the currently participating employers). The leaving employer's debt therefore includes a share of any 'orphan' liabilities in respect of previously participating employers. The amount of the debt therefore depends on many factors including total Scheme liabilities, Scheme investment performance, the liabilities in respect of current and former employees of the employer, financial conditions at the time of the cessation event and the insurance buy-out market. The amounts of debt can therefore be volatile over time.

Pension deficit funding arrangement

The company participates in the scheme, a multi-employer scheme which provides benefits to some 638 non-associated participating employers. The scheme is a defined benefit scheme in the UK. It is not possible for the company to obtain sufficient information to enable it to account for the scheme as a defined benefit scheme. Therefore it accounts for the scheme as a defined contribution scheme.

WATFORD AND DISTRICT MENCAP SOCIETY**NOTES TO THE FINANCIAL STATEMENTS - CONTINUED****FOR THE YEAR ENDED 31 MARCH 2024**

25. PENSIONS - continued**Pension deficit funding arrangement - continued**

The scheme is subject to the funding legislation outlined in the Pensions Act 2004 which came into force on 30 December 2005. This, together with documents issued by the Pensions Regulator and Technical Actuarial Standards issued by the Financial Reporting Council, set out the framework for funding defined benefit occupational pension schemes in the UK.

The scheme is classified as a 'last-man standing arrangement'. Therefore the company is potentially liable for other participating employers' obligations if those employers are unable to meet their share of the scheme deficit following withdrawal from the scheme. Participating employers are legally required to meet their share of the scheme deficit on an annuity purchase basis on withdrawal from the scheme.

A full actuarial valuation for the scheme was carried out at 30 September 2020. This valuation showed assets of £800.3m, liabilities of £831.9m and a deficit of £31.6m. To eliminate this funding shortfall, the Trustee has asked the participating employers to pay additional contributions to the scheme as follows:

Deficit contributions

From 1 April 2022 to 31 January 2025: £3,312,000 per annum
(payable monthly)

Unless a concession has been agreed with the Trustee the term to 31 January 2025 applies.

Note that the scheme's previous valuation was carried out with an effective date of 30 September 2017. This valuation showed assets of £794.9m, liabilities of £926.4m and a deficit of £131.5m. To eliminate this funding shortfall, the Trustee asked the participating employers to pay additional contributions to the scheme as follows:

Deficit contributions

From 1 April 2019 to 30 September 2025: £11,243,000 per annum
(payable monthly and increasing by 3% each on 1st April)

The recovery plan contributions are allocated to each participating employer in line with their estimated share of the Series 1 and Series 2 scheme liabilities.

Where the scheme is in deficit and where the company has agreed to a deficit funding arrangement the company recognises a liability for this obligation. The amount recognised is the net present value of the deficit reduction contributions payable under the agreement that relates to the deficit. The present value is calculated using the discount rate detailed in these disclosures. The unwinding of the discount rate is recognised as a finance cost.

WATFORD AND DISTRICT MENCAP SOCIETY**NOTES TO THE FINANCIAL STATEMENTS - CONTINUED****FOR THE YEAR ENDED 31 MARCH 2024****25. PENSIONS - continued**

Assumptions

	31 March 2024	31 March 2023	31 March 2022
	% per annum	% per annum	% per annum
Rate of discount	5.31	5.52	2.35

The discount rates shown above are the equivalent single discount rates which, when used to discount the future recovery plan contributions due, would give the same results as using a full AA corporate bond yield curve to discount the same recovery plan contributions.

The following schedule details the deficit contributions agreed between the company and the scheme at each year end period:

Deficit contribution schedule	31 March 2024	31 March 2023	31 March 2022
	£000s	£000s	£000s
Year 1	9	11	11
Year 2	-	9	11
Year 3	-	-	9
Year 4	-	-	-

The company must recognise a liability measured as the present value of the contributions payable that arise from the deficit recovery agreement and the resulting expense in the income and expenditure account i.e. the unwinding of the discount rate as a finance cost in the period in which it arises.

It is these contributions that have been used to derive the company's balance sheet liability of £8,924 (2023: £19,104).

26. COMPANY LIMITED BY GUARANTEE

The charitable company is limited by guarantee and has no share capital. Every member of the company undertakes to contribute to the assets of the company in the event of its being wound up, for payments of the debts and liabilities of the company, such amount as may be required, not exceeding £1.

WATFORD AND DISTRICT MENCAP SOCIETY

NOTES TO THE FINANCIAL STATEMENTS - CONTINUED

FOR THE YEAR ENDED 31 MARCH 2024

27. FINANCIAL INSTRUMENTS

The charity has the following financial instruments:

	Notes	31.03.24 £	31.03.23 £
Financial assets measured at amortised cost			
- Cash and cash equivalents		1,052,100	774,504
- Trade debtors	15	77,718	630,094
- Other debtors	15	6,829	-
		<u>1,136,647</u>	<u>1,404,598</u>
Financial liabilities measured at amortised cost			
- Trade creditors	16	130,090	72,759
- Other creditors	16	17,795	59,683
- Individual service funds	16	112,002	135,038
- Accruals	16	244,687	239,925
- Bank loans	18	-	254,514
		<u>504,574</u>	<u>761,919</u>

28. RECONCILIATION OF NET INCOME TO NET CASH FLOW FROM OPERATING ACTIVITIES

	31.03.24 £	31.03.23 £
Net movement in funds for the reporting period (as per the statement of financial activities)	12,547	323,400
Adjustments for:		
Depreciation charges	12,478	11,272
Interest payable	11,766	13,280
Gain on disposal of fixed assets	(594)	-
Actuarial losses relating to pension scheme deficit	738	56
Interest received	(33,102)	(8,985)
(Decrease)/increase in other provisions	(10,918)	(10,918)
(Increase)/decrease in debtors	572,933	(505,694)
(Decrease)/increase in creditors	(37,715)	(103,061)
Net cash (used in) provided by operating activities	<u>528,133</u>	<u>(280,650)</u>

29. ANALYSIS OF CHANGES IN NET CASH

Current year	At 31.03.23 £	Cash flows £	At 31.03.24 £
Cash at bank and in hand	774,504	277,596	1,052,100
Borrowings	(254,514)	254,514	-
	<u>519,990</u>	<u>532,110</u>	<u>1,052,100</u>