

COMPANY NUMBER 02903642
(England and Wales)

CHARITY NUMBER 1035252

HARPENDEN MENCAP
(A company limited by guarantee)

REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31ST MARCH 2015

ANDREW WIGGETT
Chartered Accountants
and Statutory Auditors

HARPENDEN MENCAP**REFERENCE AND ADMINISTRATIVE INFORMATION**

Trustees, Directors & Members of Executive Committee	Dr. D. Bird Mrs. J. Caseberry Mr. P. Fisher Mr. F. Gee Mrs. A. Hignell Mrs. M. Latham Mrs. C. Violet (retired 30.09.14) Mr. P. Warren
Director of Services	Mrs. K. Stafford
Company number	02903642 (England and Wales)
Charity number	1035252
Operational name	Harpenden Mencap
Registered office and operational address	Stairways, 19 Douglas Road, Harpenden, Hertfordshire, AL5 2EN
Bankers	Triodos Bank NV, Brunel House, 11 The Promenade, Bristol, BS8 3NN
Solicitors	Taylor Walton, TW House, Station Approach, Harpenden, Hertfordshire, AL5 4SP Neves Tollgate House, 69-71 High Street, Harpenden, Hertfordshire, AL5 2SL
Independent auditors	Andrew Wiggett, Chartered Accountants and Statutory Auditors, Gainsborough House, 15 High Street, Harpenden, Hertfordshire, AL5 2RT

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HARPENDEN MENCAP

EXECUTIVE COMMITTEE'S REPORT FOR THE YEAR ENDED 31ST MARCH 2015

The Executive Committee presents its report and audited financial statements for the year ended 31st March 2015. The reference and administrative information relating to the charity is set out on Page 1.

REFERENCE AND ADMINISTRATIVE DETAILS, TRUSTEES AND ADVISERS

Executive Committee Members. The members of the Executive Committee who served during the year were:

Dr D Bird; Mrs J Caseberry (Chairman from October 2014); Mr P Fisher; Mr F Gee (Chairman until October 2014); Mrs M Latham (Treasurer); Mrs C Viollet (until October 2014) and Mr P Warren, Mrs AHignell

Advisers. Bank: Triodos Bank. Solicitors: Taylor Walton and Neves. Auditors: Andrew Wiggett.

STRUCTURE, GOVERNANCE AND MANAGEMENT

Governing Document. The local charity, which is affiliated to Royal Mencap, was founded in 1959, and has been on the current site since 1980. The organisation is a charitable company limited by guarantee, incorporated on 2nd March 1994 and registered as a charity under Registered Charity number 1035252. 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 company being wound up members are required to contribute an amount not exceeding £1.

Structure. The charity has an Executive Committee of up to 12 members who meet monthly and are responsible for the strategic direction and policy of the charity. All of the members of the Executive Committee are Directors of the company and are also Trustees of the charity and there are no other Trustees. Each member's appointment is confirmed by the charity's members at the Annual General Meeting.

Trustees. Most Trustees are already familiar with the practical work of the charity. Additionally, new Trustees are invited and encouraged to attend Executive Committee meetings prior to final commitment to familiarise themselves with the charity and the context within which it operates. There is an Induction Pack with a set of guidelines for the Trustees on their duties and responsibilities.

FINANCIAL REVIEW

Reserves. The charity requires reserves, generally, for financial security and, in particular, to provide for the financial effects of a potential reduction in occupancy and for possible changes in the payment policies of its main funding agencies. The Executive Committee has reviewed the financial impact of a range of possible changes in both factors and, in their opinion, the present minimum cash reserve requirement, known as the General Fund, is £400,000. As explained in note 17, there is a reserve shortfall in the General Fund of approximately £79,000 as at the year end. The position will be monitored closely by the Trustees, who regularly review the minimum cash requirement.

Surplus/Deficit. The provision of residential accommodation and Short Break care services is by far the most financially significant of the charity's activities. A deficit arose on these activities this year together with a deficit on activities funded by the charity. The deficit was mitigated in part by voluntary income and income from other activities. Accordingly, the charity reports a deficit this year of £79,501 (2014: surplus of £51,960).

Donations and Fundraising. During the year we have received donations from many donors who have contributed and are too numerous to name individually. However each and every one of them is greatly appreciated, and they provide a vital income source for the charity's activities. Total donations and grants of £71,652 (2014: £97,543) were received which were allocated to the Amenities Fund £5,386 (2014: £11,260), the Building Fund £25,142 (2014: £58,081), Flat 5 Fund £3,750 (2014: £6,250), BBC Children in Need and the Neighbourly Charitable Trust for the Children's Services Spotlight Drama Group – grant repayment of £2,297 (2014: £8,747), and others including Gift Aid of £39,671 (2014: £13,205)

Funds Available: In the Trustees' opinion, there are sufficient funds available to ensure the continuation of the charity's various activities and to finance the immediate plans set out above and thus continue to fulfil the charity's main objectives.

Investment Policy. The Executive Committee has considered the most appropriate policy for investing funds. Due to the volatility of the Stock Market and in view of the fact that significant reserves may be needed at short notice to fund accommodation projects, Trustees consider that they must be kept in short to medium term deposits. Interest received during the year amounted to £8,061 (2014: £8,239), of which £328 (2013: £328) is attributable to the Building Fund.

Risk Management. The Executive Committee has given consideration to the major risks to which the charity is exposed and is satisfied that systems and procedures are established in order to manage those risks.

HARPENDEN MENCAP

EXECUTIVE COMMITTEE'S REPORT FOR THE YEAR ENDED 31ST MARCH 2015

PLANS FOR FUTURE PERIODS

Extending Services. The charity continues to seek ways of extending its services in support of people with learning disabilities and their families and to this end is active in liaising with Hertfordshire County Council, local builders, Housing Associations and other groups in the area, notably Passport to Leisure, Harpenden Gateway Club and Faith and Light.

Our Property. Our housing objective is to replace all of the existing accommodation and administrative offices at Stairways with new developments in conformity with modern standards. Our eleven flat facility has been open since November 2012. The difficulty of finding suitable sites within the Harpenden area makes it impossible to predict where and when further developments will happen.

Vacant Flats. There are no vacant flats, however there have been some vacancies and one vacancy in Flat 1 is proving difficult to fill at this time.

ADMINISTRATION INFORMATION

Executive Committee Appointments. The Executive Committee has overall control of the charity. It is responsible for the day to day activities of the charity and supports campaigning, publicity and other activities as and when required. The committee members are Directors of the company and Trustees of the charity. In addition an Ethics Advisory Group advises the Executive Committee on ethical issues that confront the service at all levels of its organisation. All members of these committees give their time voluntarily and receive no benefits from the charity other than the incidental benefit of being closer to the care being offered to some of their offspring. The day to day running of the charity is the responsibility of the Director of Services Karen Stafford.

Related Parties. The charity works with Hertfordshire County Council and other Local Authorities which, together with various different government agencies, provides substantially all the revenue funding necessary to manage the long and short term care services.

OBJECTIVES AND ACTIVITIES

Objectives. The charity's purposes as set out in the objects contained in the company's Memorandum of Association are:

- The relief of people with a learning disability in particular by the provision of help and support for them and their families, dependents and carers, and to prevent learning disabilities for the public benefit; and
- To provide or assist in the provision of facilities for the recreation or leisure time occupation for people who have need thereof by reason of improving their conditions of life.

Public Benefit. The Trustees have complied with the duty in section 4 of the 2006 Charities Act to have regard to guidance published by the Charity Commission, including public benefit guidance. They have referred to the Charity Commission's guidance on public benefit when reviewing the aims and objectives and in planning future activities. In particular, the Trustees have considered how planned activities will contribute to the aims and objectives they have set.

People We Help. The charity is established for the relief of people with learning and related disabilities within Harpenden and its surrounding areas. We have a registered care home providing long term residential care to twelve adults at Stairways and provide staff support under Supported Living in Flats 3 & 5 at Stairways. Also under Domiciliary Care we support fifteen people at Pine Court and in the community. The charity also provides short breaks for a number of children and young adults between the ages of 14 and 19. In addition, the charity provides leisure activities for the young people and support for the families of the children and adults for which it has responsibilities.

Activities. Referral to the charity can be self referral, referral from a family member or carer, referral from the community learning disability social work team, or referral from any other professional such as GPs and community nurses. The systems of funding will depend on the route the referral is made. There are four options available to fund access to the charity's services: (1) Self-funding; funding a service out of their own monies; (2) Directly commissioned service; the local authority will assist with the funding of a service; (3) Direct payments; where the local authority pays for an individual's service; (4) Individual budgets; where a service user is given a budget to fund their chosen support.

ACHIEVEMENTS AND PERFORMANCE

Inspections. All Adult Care Services Inspections are carried out by the Care Quality Commission. Services are judged against the Health and Social Care Act. Harpenden Mencap services are compliant and continue to provide excellent outcomes for the people who use us. This is a reflection of the hard work and quality of all the management and staff.

Employment Opportunities. We provide people with learning difficulties with the opportunity of employment experience and retail training at the Harpenden Mencap Charity Shop.

HARPENDEN MENCAP

EXECUTIVE COMMITTEE'S REPORT FOR THE YEAR ENDED 31ST MARCH 2015

Children's Short Break Service. In the Children's Short Break Service we were awarded an overall quality rating of "good". Under the service many young people were provided with support and this enables them to access leisure opportunities, including holidays, sports, trips and clubs. The service is now funded by Direct Payments.

Spotlight. This service closed in December 2014.

Staff Team. The charity is fortunate in having a team of dedicated and able staff working in all departments. The Trustees wish to place on record their gratitude for all they do to further the aims of the charity, increasingly in challenging conditions we are facing during the present round of budget cuts and wage restraints.

STATEMENT OF THE EXECUTIVE COMMITTEE MEMBERS' RESPONSIBILITIES

The Executive Committee members as Directors and Trustees are responsible for preparing their Report and the financial statements in accordance with applicable law and regulations.

Company law requires the Executive Committee members to prepare financial statements for each financial year. Under that law the Executive Committee members have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). Under company law the Executive Committee members 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 charity and of its surplus for that year. In preparing these financial statements, the Executive Committee members are required to:

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

The Executive Committee members are responsible for keeping adequate accounting records that are sufficient to show and explain the charity's transactions and disclose with reasonable accuracy at any time the financial position of the charity and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the charity and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

STATEMENT OF DISCLOSURE OF INFORMATION TO AUDITORS

The Executive Committee members as Directors who hold office at the date of the approval of this annual report confirm that:

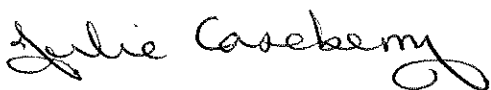
- So far as they are aware, there is no relevant audit information, information needed by the company's auditors in connection with preparing their report, of which the company's auditors are unaware; and
- That they have taken all the steps that they ought to have taken as the directors in order to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

AUDITORS

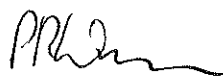
A resolution proposing Andrew Wiggett be re-appointed as auditors of the charity will be put to the Annual General Meeting.

This report has been prepared in accordance with the Statement of Recommended Practice – Accounting and Reporting by Charities and in accordance with the special provisions of Part 15 of the Companies Act 2006 relating to small entities.

Approved by the Executive Committee on 20th July 2015 and signed on its behalf.



J Caseberry
Chairman of Executive Committee & Trustee



P Warren
Member of Executive Committee & Trustee

HARPENDEN MENCAP**REPORT OF THE INDEPENDENT AUDITORS TO THE MEMBERS OF
HARPENDEN MENCAP**

We have audited the financial statements of Harpenden Mencap for the year ended 31st March 2015, on pages 6 to 15, which comprise the Statement of Financial Activities including the Income and Expenditure Account, the Balance Sheet and the related notes. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

This report is made solely to the charitable company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the charitable company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charitable company and the charitable company's members as a body, for our audit work, for this report, or for the opinions we have formed.

RESPECTIVE RESPONSIBILITIES OF TRUSTEES AND AUDITORS

As explained more fully in the Executive Committee members responsibilities statement (set out on page 4), the Executive Committee members as Trustees (who are also 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.

Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's (APB's) Ethical Standards for Auditors, including APB Ethical Standard - Provisions Available for Smaller Entities, in the circumstances set out in note 19 to the financial statements.

SCOPE OF THE AUDIT OF THE FINANCIAL STATEMENTS

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of: whether the accounting policies are appropriate to the charitable company's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the Executive Committee members; and the overall presentation of the financial statements. In addition, we read all the financial and non-financial information in the Executive Committee members Annual Report to identify material inconsistencies with the audited financial statements. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

OPINION ON FINANCIAL STATEMENTS

In our opinion the financial statements:

- give a true and fair view of the state of the charitable company's affairs as at 31st March 2015 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.

OPINION ON OTHER MATTER PRESCRIBED BY THE COMPANIES ACT 2006

In our opinion the information given in the Executive Committee members Annual Report for the financial year for which the financial statements are prepared is consistent with the financial statements.

MATTERS ON WHICH WE ARE REQUIRED TO REPORT BY EXCEPTION

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; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of Executive Committee members remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit; or
- the Executive Committee members were not entitled to prepare the financial statements in accordance with the small companies regime and take advantage of the small companies exemption in preparing the Executive Committee members Annual Report.

Andrew Wiggett

ANDREW WIGGETT (Senior Statutory Auditor)

For and on behalf of

ANDREW WIGGETT

Chartered Accountants and Statutory Auditors,

Date: 20th July 2015

Gainsborough House, 15 High Street,
Harpenden, Hertfordshire, AL5 2RT

HARPENDEN MENCAP**STATEMENT OF FINANCIAL ACTIVITIES FOR THE YEAR ENDED 31ST MARCH 2015**
(INCLUDING INCOME AND EXPENDITURE ACCOUNT)

	<u>Notes</u>	<u>2015</u>		<u>Total</u>	<u>Total</u> <u>2014</u>
		<u>Unrestricted</u> <u>Funds</u>	<u>Restricted</u> <u>Funds</u>		
		£	£	£	£
INCOMING RESOURCES					
Incoming resources from generated funds:					
Voluntary income					
Subscriptions, donations, grants and legacies	4	40,863	31,981	72,844	107,410
Activities for generating funds:					
Charity shop	4	86,240	-	86,240	96,617
Other fundraising	4	16,683	-	16,683	11,607
Investment income	4	8,061	-	8,061	8,239
Incoming resources from charitable activities					
Adult services funded by Local Authorities	2				
Long term care		797,872	-	797,872	899,552
Supported living		243,347	-	243,347	126,737
Domiciliary living		433,826	-	433,826	468,602
Children's services funded by Local Authorities	2	148,940	-	148,940	163,681
Other activities	3	915	-	915	232
Total incoming resources		1,776,747	31,981	1,808,728	1,882,677
RESOURCES EXPENDED					
Costs of generating funds					
Charity shop	4	40,529	-	40,529	41,037
Fundraising and publicity	4	13,155	2,580	15,735	10,036
Charitable activities:					
Adult services funded by Local Authorities	2				
Long term care		943,267	-	943,267	958,172
Supported living		225,158	-	225,158	136,210
Domiciliary living		381,748	-	381,748	382,785
Children's services funded by Local Authorities	2	210,962	-	210,962	234,803
Leisure clubs for adults	3	2,465	-	2,465	3,066
Employment schemes	3	35,790	-	35,790	33,825
Other activities	3	1,390	-	1,390	1,212
Amenities & grant expenditure	4	-	20,139	20,139	18,300
Governance costs	5	11,046	-	11,046	11,271
Total resources expended		1,865,510	22,719	1,888,229	1,830,717
NET (EXPENDITURE)/INCOME, NET (OUTGOING)					
/INCOMING RESOURCES BEFORE TRANSFERS		(88,763)	9,262	(79,501)	51,960
Transfers between funds	17	8,732	(8,732)	-	-
NET MOVEMENT IN FUNDS FOR THE YEAR	6 and 7	(80,031)	530	(79,501)	51,960
TOTAL FUNDS at 1st April 2014		2,535,642	47,150	2,582,792	2,530,832
TOTAL FUNDS at 31st March 2015	17	£ 2,455,611	£ 47,680	£ 2,503,291	£ 2,582,792


The notes on pages 8 to 15 form part of these financial statements.


HARPENDEN MENCAP**BALANCE SHEET AS AT 31ST MARCH 2015**

(Company number 02903642)

		2015			
	Notes	Unrestricted Funds £	Restricted Funds £	Total £	Total 2014 £
FIXED ASSETS					
Freehold property	11	3,187,330	-	3,187,330	3,186,846
Other tangible fixed assets	12	106,059	-	106,059	117,860
TOTAL FIXED ASSETS		3,293,389	-	3,293,389	3,304,706
CURRENT ASSETS					
Debtors and prepayments	13	81,815	-	81,815	90,984
Cash at bank and in hand		453,011	47,680	500,691	639,439
		534,826	47,680	582,506	730,423
CREDITORS: amounts falling due within one year	14	(121,857)	-	(121,857)	(159,858)
NET CURRENT ASSETS		412,969	47,680	460,649	570,565
TOTAL ASSETS LESS CURRENT LIABILITIES		3,706,358	47,680	3,754,038	3,875,271
CREDITORS: amounts falling due after more than one year	15	(1,250,747)	-	(1,250,747)	(1,292,479)
NET ASSETS	16	£ 2,455,611	£ 47,680	£ 2,503,291	£ 2,582,792
FUNDS					
Restricted					
Building	17	-	17,643	17,643	8,081
Flat 1 Stairways	17	-	7,891	7,891	12,885
Amenities	17	-	18,558	18,558	16,595
Children's Services	17	-	3,588	3,588	9,589
Unrestricted					
Designated Building Fund	17	100,656	-	100,656	100,328
Designated Major Building Repairs Fund	17	33,172	-	33,172	18,624
General Fund	17	2,321,783	-	2,321,783	2,416,690
TOTAL CHARITY FUNDS	17	£ 2,455,611	£ 47,680	£ 2,503,291	£ 2,582,792

The financial statements which have been prepared in accordance with the special provisions relating to companies subject to the small companies regime within Part 15 of the Companies Act 2006 were approved by the Board on 20th July 2015 and signed on its behalf by:


J. Caseberry
 Chairman of Executive Committee
 and Trustee


P. Warren
 Member of Executive Committee
 and Trustee

The notes on pages 8 to 15 form part of these financial statements.

HARPENDEN MENCAP**NOTES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2015****1. ACCOUNTING POLICIES****(a) Basis of accounting**

The financial statements have been prepared under the historical cost convention and in accordance with the Companies Act 2006, the Financial Reporting Standard for Smaller Entities (April 2008) and the Statement of Recommended Practice: Accounting and Reporting by Charities issued in March 2005 (SORP 2005). They include the results of the Charity's operations, which are described in the Executive Committee's Report, and all of which are continuing.

(b) Fund accounting

Unrestricted funds are available for use at the discretion of the Trustees in furtherance of the general objectives of the Charity. Designated funds are unrestricted funds earmarked by the Executive Committee for particular purposes. Restricted funds are subjected to restrictions on their expenditure imposed by the donor or through the terms of an appeal.

(c) Fixed assets

Fixed assets are stated at cost less accumulated depreciation. The costs of minor additions or those costing below £300 are not capitalised.

Properties under construction are stated at cost. Cost comprises site acquisition costs, professional fees, building and construction costs and finance costs, including interest. Interest charged is capitalised from loan drawdown until physical construction is complete and the building is brought into use.

Depreciation is provided at rates calculated to write off the cost of fixed assets less their estimated residual value, over their expected useful lives on the following basis:

Freehold land	- Nil
Properties under construction	- Nil
Freehold buildings	- 2%
Vehicles, furniture and equipment	- 25% - 33 1/3% on cost

(d) Incoming resources

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

Charges for residents are included in the financial statements on the basis of amounts receivable in the year. Donations, Subscriptions, Charity shop and other fund raising income is accounted for as received by the Charity. The value of services provided by volunteers has not been included in these accounts.

Legacies are included when the Charity is advised by the personal representative of an estate that payment will be made or property transferred and the amount involved can be quantified.

Clothing and other items donated for resale through the Charity Shop are included as incoming resources within activities for generating funds when they are sold.

Investment income is included when receivable.

(e) Resources expended

Expenditure is recognised on an accrual basis as a liability is incurred. Expenditure includes any VAT which cannot be fully recovered, and is reported as part of the expenditure to which it relates:

Costs of generating funds comprise the costs associated with attracting voluntary income and the costs of trading for fundraising purposes including the Charity Shop.

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

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

All costs are allocated between the expenditure categories of the statement of financial activities on a basis designed to reflect the use of the resource. Costs relating to a particular activity are allocated directly, others are apportioned on appropriate bases, comprising per capita and estimated usage.

(f) Pensions

The Charity provides a defined contribution personal pension arrangement for its employees. The assets are held separately from those of the Charity in independently administered insurance company funds. The pension charge in the accounts represents the amounts payable by the Charity to the funds in respect of the year for employee members.

(g) Operating leases

Rentals applicable to operating leases where substantially all of the benefits and risks of ownership remain with the lessor are charged to the accounts as incurred.

HARPENDEN MENCAP**NOTES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2015**

(continued)

2. ACTIVITIES FUNDED BY LOCAL AUTHORITIES

	<u>Long Term</u> <u>Care for</u> <u>Adults</u> £	<u>Adults'</u> <u>Supported</u> <u>Living</u> £	<u>Adults'</u> <u>Domiciliary</u> <u>Living</u> £	<u>Children's</u> <u>Short Breaks</u> <u>& Outreach</u> £	<u>Total</u> <u>2015</u> £	<u>Total</u> <u>2014</u> £
Incoming Resources						
Service charges	797,872	243,347	433,826	148,940	1,623,985	1,658,572
			(page 6)	(page 6)		
Resources expended						
Salaries, national insurance & pensions	781,481	181,334	249,891	179,045	1,391,751	1,357,620
Other staff costs	22,483	8,821	12,062	3,850	47,216	33,399
Depreciation	17,686	7,975	21,459	1,782	48,902	40,612
Equipment purchase & repairs	8,197	724	1,986	1,510	12,417	18,597
Premises repairs & maintenance	13,792	6,512	10,944	3,019	34,267	30,808
Residents' costs	42,601	170	744	5,314	48,829	52,619
Rent & Council Tax	2,739	1,826	10,385	-	14,950	14,649
Vehicles & travel	7,648	1,970	-	4,769	14,387	13,535
Electricity, gas, water & cleaning	13,076	5,991	11,211	3,397	33,675	38,750
Telephones	2,380	1,112	2,342	722	6,556	6,851
Stationery & office costs	9,488	2,420	4,079	1,959	17,946	17,043
Registration, legal & professional fees	6,111	1,330	3,166	2,226	12,833	12,683
Insurance	13,109	4,132	6,399	2,839	26,479	23,169
Mortgage interest payable	-	-	46,005	-	46,005	47,389
Other expenses	2,476	841	1,075	530	4,922	4,246
Total	943,267	225,158	381,748	210,962	1,761,135	1,711,970
			(page 6)	(page 6)		
Net incoming/(outgoing) resources for year	£(145,395)	£ 18,189	£ 52,078	£ (62,022)	£ (137,150)	£ (53,398)

3. ACTIVITIES FUNDED BY THE CHARITY

	<u>Britannia</u> <u>& Other</u> <u>Clubs</u> £	<u>Employment</u> <u>Opportunities</u> <u>Scheme</u> £	<u>Other</u> <u>Activities</u> £	<u>Total</u> <u>2015</u> £	<u>Total</u> <u>2014</u> £
Incoming Resources					
Service charges & other income	915	-	-	915	232
				(page 6)	
Resources expended					
Salaries, national insurance & pensions	1,954	33,938	-	35,892	34,749
Other staff costs	31	450	-	481	408
Depreciation, repairs & maintenance	10	148	-	158	119
Rent, council tax & utilities costs	389	101	-	490	557
Stationery and office costs	33	468	-	501	449
Insurance	29	421	-	450	374
Professional fees	13	182	-	195	158
Other expenses	-	-	-	-	112
Donations to associated groups	6	82	1,390	1,478	1,177
	2,465	35,790	1,390	39,645	38,103
				(page 6)	
Net outgoing resources for the year	£ (1,550)	£ (35,790)	£ (1,390)	£ (38,730)	£ (37,871)

HARPENDEN MENCAPNOTES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2015
(continued)**4. VOLUNTARY INCOME AND INCOME FROM ACTIVITIES FOR GENERATING FUNDS**

	<u>Subscriptions</u> <u>Donations and</u> <u>Legacies</u> £	<u>Roundabout</u> <u>Charity</u> <u>Shop</u> £	<u>Other</u> <u>Fundraising</u> £	<u>Investment</u> <u>Income</u> £	<u>Total</u> <u>2015</u> £	<u>Total</u> <u>2014</u> £
Incoming Resources						
Membership subscriptions	968	-	-	-	968	1,867
Donations	73,449	-	-	-	73,449	88,795
Grants	(1,797)	-	-	-	(1,797)	8,748
Legacies	-	-	-	-	-	8,000
Events income	-	-	16,683	-	16,683	11,607
Shop takings	-	78,440	-	-	78,440	88,817
Shop - Flat rent	-	7,800	-	-	7,800	7,800
Bank interest (from UK deposits)	-	-	-	8,061	8,061	8,239
Other	224	-	-	-	224	-
Total	72,844	86,240	16,683	8,061	183,828	223,873
	(page 6)	(page 6)	(page 6)	(page 6)		
Resources expended						
Salary, national insurance & pension	871	9,646	7,229	-	17,746	21,762
Other staff costs	159	190	112	-	461	443
Depreciation	19	141	17	-	177	68
Equipment purchases & repairs	879	502	24	-	1,405	2,479
Premises repairs & maintenance	12,503	4,757	16	-	17,276	5,784
Rent and council tax	-	19,556	953	-	20,509	21,893
Electricity, gas, water & cleaning	12	1,884	23	-	1,919	1,250
Telephone	111	518	61	-	690	283
Stationery & office costs	4	2,129	93	-	2,226	779
Insurance	105	837	550	-	1,492	1,511
Newsletter and yearbook	-	-	2,170	-	2,170	2,269
Events costs	-	-	3,526	-	3,526	3,559
Residents' costs	20	38	19	-	77	83
Residents' amenities	5,195	-	-	-	5,195	6,089
Volunteer expenses	-	40	-	-	40	130
Other expenses	79	213	397	-	689	352
Professional fees	182	78	545	-	805	639
Total	20,319	40,529	15,735	-	76,403	69,373
	(page 6)	(page 6)	(page 6)			
Net incoming/(outgoing) resources for year	£ 52,705	£ 45,711	£ 948	£ 8,061	£ 107,425	£ 154,500

5. GOVERNANCE COSTS

	<u>2015</u> £	<u>2014</u> £
Professional fees - Auditors' remuneration	4,800	4,500
Administrative salaries	4,232	4,240
Insurance - Trustee indemnity	2,014	2,531
	<u>£ 11,046</u>	<u>£ 11,271</u>

Governance costs have been identified as required by SORP 2005.

HARPENDEN MENCAP**NOTES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH****2015**

(continued)

**6. NET (EXPENDITURE)/INCOME AND NET (OUTGOING)
/INCOMING RESOURCES FOR THE YEAR
- RECONCILIATION OF ANALYSIS BY ACTIVITY**

	<u>Notes</u>	<u>2015</u> £	<u>2014</u> £
The net income/(expenditure) and net incoming/(outgoing) resources for the year arise as follows:			
Activities funded by local authorities	2	(137,150)	(53,398)
Activities funded by the charity	3	(38,730)	(37,871)
Voluntary income and income from activities for generating funds	4	107,425	154,500
		(68,455)	63,231
Governance costs	5	(11,046)	(11,271)
Net income/(expenditure) and net incoming/(outgoing) resources for the year (page 6)		£ (79,501)	£ 51,960

**7. NET INCOME/(EXPENDITURE) AND NET INCOMING/(OUTGOING)
RESOURCES FOR THE YEAR - STATUTORY DISCLOSURES**

	<u>2015</u> £	<u>2014</u> £
This is stated after charging :		
Staff costs (note 8)	1,498,779	1,453,396
Auditors' remuneration:		
Audit fee (note 5)	4,800	4,500
Other services (note 19)	288	-
Depreciation - owned assets (note 12)	49,153	40,731

8. STAFF COSTS

	<u>2015</u> £	<u>2014</u> £
Salaries	1,253,038	1,183,072
Agency staff costs	49,774	107,198
Staff benefits and PAYE settlement	3,942	-
Redundancy costs	5,152	-
Social security contributions	97,046	97,033
Pension contributions	44,612	31,068
Group Life cover	9,827	7,402
Pension management fees	1,000	775
Staff training	25,860	18,618
Staff recruitment	2,375	1,797
CRB / ISA checks	1,584	2,182
Health checks	2,449	2,419
Staff travel	2,120	1,832
	£ 1,498,779	£ 1,453,396

No employee received emoluments of more than £60,000.

As described in note 1(f), the charity provides a defined contribution pension arrangement for its eligible employees. The pension contributions made in the year, disclosed above, are in respect of 47 (2014 - 22) employees. The amount outstanding at the balance sheet date, included in Other creditors in note 14, was £6,770 (2014 - £4,160). Agency staff are used to provide cover for the permanent employees.

HARPENDEN MENCAP**NOTES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2015**

(continued)

8. STAFF COSTS continued

The average monthly number of employees during the year, calculated on the basis of full time equivalents, was as follows:

	<u>2015</u>	<u>2014</u>
Adult residential services	30.48	30.50
Adult supported living	7.86	4.00
Adult domiciliary living	11.04	11.70
Children's services	6.26	8.00
Employment opportunities and Clubs	1.32	1.15
Charity shop	0.52	0.70
Fundraising	0.24	0.10
	<u>57.72</u>	<u>56.15</u>

9. TRUSTEE REMUNERATION & RELATED PARTY TRANSACTIONS

No member of the Executive Committee received any remuneration for this year and no relevant expenses were reimbursed to Trustees for this year.

No Trustee or other person related to the Charity had any personal interest in any contract or transaction entered into by the Charity during the year except in connection with the provision of services by the charity in the normal course of its operations and on its standard terms.

10. TAXATION

The Charity is exempt from tax on income and gains falling within section 505 of the Taxes Act 1988 or section 256 of the Taxation of Chargeable Gains Act 1992 to the extent that these are applied in furtherance of its charitable objects. No charges to taxation have arisen on the Charity in the year (2014- None).

11. FREEHOLD PROPERTY

	<u>Freehold Property (Pine Court)</u>	<u>Freehold Property (Stairways)</u>	<u>Total</u>
Cost	£	£	£
At 1st April 2014	2,607,825	579,021	3,186,846
Additions	484	-	484
At 31st March 2015	<u>£ 2,608,309</u>	<u>£ 579,021</u>	<u>£ 3,187,330</u>
Cost comprises:			
Cost of purchase	803,917	56,779	860,696
Original conversion costs	-	80,986	80,986
Extension and refurbishment	-	441,256	441,256
Building, Construction and related professional fee costs	1,724,602	-	1,724,602
Finance costs including interest	79,790	-	79,790
	<u>£ 2,608,309</u>	<u>£ 579,021</u>	<u>£ 3,187,330</u>

Freehold Property: 'Pine Court'

The freehold property known as 'Pine Court' is situated in Carlton Road, Harpenden. No depreciation charge has been made on the building which was completed and opened in November 2012. Given that the building is new and fully occupied the balance sheet carrying value at 31st March 2015, at cost, fairly reflects the value in use as measured by the intrinsic worth of the service delivery to residents and accordingly, in the opinion of the Trustees, no provision for depreciation is required to be made in accordance with accounting policy 1(c). The property is wholly used for charitable purposes.

Freehold Property: 'Stairways'

The freehold property, known as 'Stairways' is situated in Douglas Road, Harpenden. No depreciation charge has been made on the cost of the building this year as following a review of the physical and economic life of the building, which is maintained in a good state of repair and, given the property's probable residual value no provision is required to be made in accordance with accounting policy 1(c). In the opinion of the Trustees, the market value of 'Stairways' is in the region of £3,000,000. The property is used wholly for charitable purposes.

The application of the buildings depreciation policy 1(c) is reviewed annually by the Executive Committee and depreciation will be provided for at the point in time when amortisation of cost is recognised as being required.

HARPENDEN MENCAP**NOTES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2015**
(continued)**12. OTHER TANGIBLE FIXED ASSETS**

	<u>Property furniture & equipment</u> £	<u>Office furniture & equipment</u> £	<u>Motor vehicles</u> £	<u>Total</u> £
Cost				
At 1st April 2014	283,437	30,294	44,605	358,336
Additions	30,909	6,568		37,477
Disposals	(16,986)	(1,497)	-	(18,483)
At 31st March 2015	297,360	35,365	44,605	377,330
Depreciation				
At 1st April 2014	173,805	23,964	42,707	240,476
Charge for year	43,875	3,730	1,548	49,153
Disposals	(16,861)	(1,497)	-	(18,358)
At 31st March 2015	200,819	26,167	44,255	271,271
Net book value				
At 31st March 2015	£ 96,541	£ 9,168	£ 350	£ 106,059
At 31st March 2014	£ 109,632	£ 6,330	£ 1,898	£ 117,860

The property and office furniture and equipment and the motor vehicles are all used wholly for charitable purposes.

13. DEBTORS

	<u>2015</u> £	<u>2014</u> £
Residents' charges invoiced	23,446	33,664
Prepayments	37,102	36,298
Other debtors	21,267	21,022
	£ 81,815	£ 90,984

14. CREDITORS: Amounts falling due within one year

	<u>2015</u> £	<u>2014</u> £
Bank loan repayable within one year (note 15)	41,732	40,299
Income in advance from Local Authorities	5,021	818
Social Security and other taxes	24,828	24,773
Purchase ledger balances	18,456	20,099
Accruals	19,115	65,736
Other creditors	12,705	8,133
	£ 121,857	£ 159,858

15. CREDITORS: Amounts falling due after more than one year

	<u>2015</u> £	<u>2014</u> £
Bank loan repayable after more than one year	1,250,747	1,292,479
	£ 1,250,747	£ 1,292,479

HARPENDEN MENCAP**NOTES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2015**

(continued)

15. CREDITORS: Amounts falling due after more than one year (continued)

The bank loan is a non-residential mortgage agreement with the Charity's bankers, Triodos Bank NV, for a total sum of £1,400,000, which was raised to part finance the purchase and construction of Pine Court, Carlton Road, Harpenden (see note 11). The loan is secured on the Charity's freehold property 'Stairways' and at the balance sheet date comprised approximately 43% of its estimated market value. The loan is repayable in monthly instalments over 25 years commencing in July 2012, with interest charged at base rate plus 2.5% with a minimum rate of 3.5%, as follows:

	<u>2015</u>	<u>2014</u>
	<u>£</u>	<u>£</u>
Within one year	41,732	40,299
Between one and two years	43,217	41,732
Between two and five years	139,093	134,316
After more than five years	1,068,437	1,116,431
	<u>1,250,747</u>	<u>1,292,479</u>
Total Bank Loan at 31st March 2015	<u>£ 1,292,479</u>	<u>£ 1,332,778</u>

16. ANALYSIS OF NET ASSETS BETWEEN FUNDS

	<u>Restricted funds</u>	<u>Designated funds</u>	<u>General fund</u>	<u>Total funds</u>
	<u>£</u>	<u>£</u>	<u>£</u>	<u>£</u>
Tangible fixed assets	-	-	3,293,389	3,293,389
Current assets	47,680	133,828	400,998	582,506
Current liabilities	-	-	(121,857)	(121,857)
Long term liabilities	-	-	(1,250,747)	(1,250,747)
Total net assets	<u>£ 47,680</u>	<u>£ 133,828</u>	<u>£ 2,321,783</u>	<u>£ 2,503,291</u>

17. MOVEMENTS IN FUNDS

	<u>At 01.04.14</u>	<u>Incoming resources</u>	<u>Outgoing resources</u>	<u>Transfers</u>	<u>At 31.03.15</u>
	<u>£</u>	<u>£</u>	<u>£</u>	<u>£</u>	<u>£</u>
Restricted funds					
Building	8,081	12,142	(2,580)	-	17,643
Buildings maintenance	-	13,000	(13,000)	-	-
Flat 1 Stairways	12,885	-	(411)	(4,583)	7,891
Flat 5 Stairways	-	3,750	-	(3,750)	-
Amenities	16,595	5,386	(3,024)	(399)	18,558
Children's Services -					
Equipment	5,759	-	(2,171)	-	3,588
Spotlight Drama Group	3,830	(2,297)	(1,533)	-	-
Total restricted funds	<u>£ 47,150</u>	<u>£ 31,981</u>	<u>£ (22,719)</u>	<u>£ (8,732)</u>	<u>£ 47,680</u>
Unrestricted funds					
Designated - Building	100,328	328	-	-	100,656
Designated - Major Building Repairs	18,624	-	(10,452)	25,000	33,172
General fund	2,416,690	1,776,419	(1,855,058)	(16,268)	2,321,783
Total unrestricted funds	<u>£ 2,535,642</u>	<u>£ 1,776,747</u>	<u>£ (1,865,510)</u>	<u>£ 8,732</u>	<u>£ 2,455,611</u>
Total funds	<u>£ 2,582,792</u>	<u>£ 1,808,728</u>	<u>£ (1,888,229)</u>	<u>£ -</u>	<u>£ 2,503,291</u>

HARPENDEN MENCAP**NOTES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2015**

(continued)

17. MOVEMENTS IN FUNDS (continued)**Purpose of restricted funds**

Building Fund: This fund is for donations and other monies received, including grants, as specified by the donors. Regular donations were supplemented by the net proceeds of a fund-raising Golf Day, to leave a balance carried forward of £17,643.

Buildings maintenance: Monies were received for specific items of buildings maintenance and were fully expended in the year.

Flat 1, Stairways: A balance of £12,885 was brought forward from 2014. £411 was applied towards refurbishment and £4,583 spent on capital items in Flat 1. A balance of £7,891 is carried forward.

Flat 5 Stairways: Donations received in the year in respect of Flat 5 of £3,750 were a contribution towards monies spent at the end of the prior year.

Amenities: The Amenities Fund balance brought forward of £16,595 was supplemented by incoming resources of the year of £5,386. Total outgoing resources of £3,423, including capital items of £399, were incurred to further enhance the lives of the Residents, leave a balance carried forward of £18,558.

Children's Services Equipment Fund: An original donation of £14,189 from the UPS Foundation stipulated that the money be used towards providing sensory and play equipment for children. Of the balance brought forward of £5,759, an amount of £2,171 was expended in the year, leaving a residual balance of the grant available for future spending amounting to £3,588.

Children's Services Spotlight Drama Group: A balance of Grants from the BBC Children in Need Charity was brought forward from 2014. £1,533 was expended and the remaining funds of £2,297 were returned to the Charity in accordance with the terms of the grant.

Purpose of designated funds

Building fund: The Executive Committee designated a fund of £100,000 to be retained for future building projects and to which a share of bank interest is accumulated annually. The incoming resources for the year represent the fund's share of interest receivable in 2015, amounting to £328, leaving a balance carried forward and available for future projects of £100,656.

Major Building Repairs fund: In the light of the Charity's investment in freehold property, the Executive Committee considered it appropriate, in 2013/14, to set up a designated fund to cover major repairs. A further transfer of £25,000 has been made this year from the general fund. During the course of the year, £10,452 was expended in respect of major repairs at Stairways, leaving a balance carried forward of £33,172.

Purpose of the general fund

General fund: The unrestricted general fund is available for use in fulfilling the general objects of the charity. At 31st March 2015 the balance on this fund was £2,321,783 of which £2,000,910 has been used to acquire functional fixed assets. The remaining balance of £320,873 is available to be applied towards meeting the charity's currently assessed reserve requirement of £400,000. In view of the apparent funding shortfall of £79,127 at the year end, the Executive Committee continue to monitor both the reserves level requirement and the funds available in the current year.

18. OTHER COMMITMENTS

At 31st March 2015, the charity had no contingencies or other capital or financial commitments contracted for but not provided for (2014- None), except under non-cancellable operating leases, as follows:

	<u>Land & Buildings</u>		<u>Office equipment</u>	
	<u>2015</u>	<u>2014</u>	<u>2015</u>	<u>2014</u>
	£	£	£	£
Expiry date: Between one and five years	£ 19,000	£ 19,000	£ 2,728	£ 1,708

19. NON-AUDIT SERVICES

In common with many other businesses of our size and nature we use our auditors to assist us with the provision of other services from time to time. During the year ended 31st March 2015 they carried out an examination of residents' finances.