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Dains Audit Limited
2 Chamberlain Square
Paradise
Birmingham
B3 3AX

31 October 2024

Dear Sirs

This representation letter is provided in connection with your audit of the financial statements of Midland Mencap and its subsidiary undertaking ("the group") for the year ended 31 March 2024 for the purpose of expressing an opinion as to whether the financial statements are presented fairly, in all material aspects, (or give a true and fair view) in accordance with Financial Reporting Standard 102, the Financial Reporting Standard applicable in the UK and the Republic of Ireland and the Charities Statement of Recommended Practice (SORP).

We confirm that the following representations are made on the basis of enquiries of the trustees, management and staff with relevant knowledge and experience (and, where appropriate, of inspection of supporting documentation) sufficient to satisfy ourselves that we can properly make each of the following representations to you:

- 1 We have fulfilled our responsibilities as trustees under the Companies Act 2006 and Charities Act 2022 for preparing financial statements, in accordance with the applicable financial reporting framework. We confirm that in our opinion the financial statements give a true and fair view and in particular that where any additional information must be disclosed in order to give a true and fair view that information has in fact been disclosed. We confirm that the selection and application of the accounting policies used in the preparation of the financial statements are appropriate, and we approve these accounts for the year ended 31 March 2024.
- 2 We confirm that all accounting records have been made available to you for the purposes of your audit, in accordance with your terms of engagement, and that all transactions undertaken by the charity have been properly reflected and recorded in the accounting records. All other records and related information, including minutes of all management and shareholders' meetings, have been made available to you. We have given you unrestricted access to persons within the charity in order to obtain audit evidence and have provided any additional information that you have requested for the purposes of your audit.
- 3 We acknowledge that it is a criminal offence to make a false statement in this regard, and where any trustee either makes a false statement; is aware that the statement is false; is reckless in preventing this statement; or fails to take reasonable steps to prevent the trustees' report from being approved, we acknowledge that each trustee will be guilty of a criminal offence.
- 4 We confirm that the charity is controlled by the trustees.
- 5 We confirm that the group has no liabilities, contingent liabilities or guarantees given to third parties other than those disclosed in the financial statements.

- 6 We confirm that there have been no events since the balance sheet date which require disclosing or which would materially affect the amounts in the financial statements, other than those already disclosed or included in the financial statements.
- 7 We confirm that the methods, significant assumptions and data used by us in making accounting estimates, and the related disclosures, are appropriate to achieve recognition, measurement or disclosure that is in accordance with the applicable financial reporting framework.
- 8 We confirm that all known actual or possible litigation and claims whose effects should be considered when preparing the financial statements have been disclosed to you and accounted for and disclosed in accordance with the applicable financial reporting framework, Financial Reporting Standard 102, the Financial Reporting Standard applicable in the UK and the Republic of Ireland and the Charities Statement of Recommended Practice (SORP).
- 9 We confirm that we are aware of the definition of a related party for the purpose of the accounting framework being applied in the preparation of the accounts. We confirm that there have been no material transactions with related parties, other than transactions with group undertakings which are not required to be disclosed.
- 10 We confirm that all related party relationships and transactions have been accounted for and disclosed in accordance with the applicable financial reporting framework, Financial Reporting Standard 102, the Financial Reporting Standard applicable in the UK and the Republic of Ireland and the Charities Statement of Recommended Practice (SORP).
- 11 We confirm that the charity neither had, at any time during the year, any arrangement, transaction or agreement to provide credit facilities (including advances and credits granted by the charity) for trustees, nor provided guarantees of any kind on behalf of the trustees.
- 12 We confirm that the group has not contracted for any capital expenditure other than as disclosed in the financial statements.
- 13 We confirm that the group has complied with all aspects of contractual agreements that could have a material effect on the financial statements in the event of non-compliance.
- 14 We confirm that we are not aware of any possible or actual instance of non-compliance with those laws and regulations which provide a legal framework within which the charity conducts its business and which are central to the group's ability to conduct its business, except as explained to you and as disclosed in the financial statements.
- 15 We acknowledge our responsibility for the design, implementation and maintenance of controls to prevent and detect fraud, and that we believe we have appropriately fulfilled these responsibilities. We confirm that we have disclosed to you the results of our risk assessment of the risk of fraud in the business. There have been no deficiencies in internal control of which we are aware.
- 16 We confirm that there have been no actual or suspected instances of fraud involving management, employees who have a significant role in internal control or others where the fraud could have a material effect on the financial statements. We also confirm that we are not aware of any allegations of fraud by employees, former employees, analysts, regulators or others.
- 17 We confirm that, in our opinion, the group's financial statements should be prepared on the going concern basis on the grounds that current and future sources of funding or support will be more than adequate for the group's needs. In reaching this conclusion, we have taken into account all relevant matters of which we are aware, including the availability of working capital and have

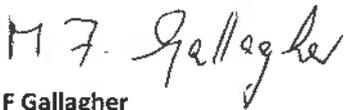
considered a future period of at least one year from the date on which the financial statements will be approved.

- 18 We confirm that we approve the adjusted items as detailed in the attached appendix.
- 19 We confirm that in our opinion the effects of uncorrected misstatements are immaterial, both individually and in aggregate, to the financial statements as a whole. A list of the uncorrected misstatements is detailed in the attached appendix.
- 20 The financial statements are free of material misstatements, including omissions.
- 21 We confirm that we have no plans or intentions that may materially alter the carrying value and, where relevant, the fair value measurements or classification of assets and liabilities reflected in the financial statements.
- 22 We confirm the group has satisfactory title to all assets and there are no liens or encumbrances on the assets, except for those disclosed in the financial statements.
- 23 We have disclosed to you all claims in connection with litigation that have been, or are expected to be, received and such matters, as appropriate, have been properly accounted for and disclosed in the financial statements.
- 24 We acknowledge our legal responsibilities regarding disclosure of information to you as auditors and confirm that:
 - so far as each trustee is aware, there is no relevant audit information of which you as auditors are unaware, and
 - each trustee has taken all the steps that they ought to have taken as a trustee to make themselves aware of any relevant audit information and to establish that you are aware of that information.
 - the representations made are the best of our knowledge and belief.
- 25 We acknowledge that it is a criminal offence to knowingly or recklessly make you as an auditor, a statement (oral or written) that conveys, or purports to convey, information or explanations that you require in your capacity as auditor, or are entitled to require, that is misleading, false or deceptive in a material particular.

We confirm that the above representations are made on the basis of enquiries of management and staff with relevant knowledge and expertise (and, where appropriate, of supporting documentation) sufficient to satisfy ourselves that we can properly make these representations to you and that to the best of our knowledge and belief they accurately reflect the representations made to you by the trustees during the course of your audit.

Yours faithfully

Signed on behalf of the board of trustees by:



M F Gallagher
Chair of Trustees

SUMMARY OF ADJUSTMENTS.

The Board should review the level of adjustments identified and obtain explanations for any adjustments which may remain unadjusted. The following adjustments have been processed during the course of our audit of the financial statements.

Midland Mencap	SOFA		Balance sheet		Surplus effect
	Dr £	Cr £	Dr £	Cr £	
Surplus per client's trial balance					1,875,394
Management adjustments					NIL
Audit adjustments					
Agree opening reserves to 2023 stats	3,424			3,424	(3,424)
PBO element of Community Wellbeing contract		137,680	137,680		137,680
Release unspent OG grant from deferred income to restricted funds		23,000	23,000		23,000
Holiday pay accrual	45,414			45,414	(45,414)
Surplus per draft financial statements					1,987,236
Investment portfolio gains					99,182
Surplus per draft financial statements					2,086,418
		SOFA		Balance sheet	Surplus effect

Birmingham Multi-Care Support Services

	Dr £	Cr £	Dr £	Cr £
Deficit per client's trial balance				£ (6,211)
Management adjustments				NIL
Audit adjustments				
Correction to accrued respite income (£32,292 posted wrong way around)		64,584	64,584	64,584
Surplus per draft financial statements				58,373

SUMMARY OF ADJUSTMENTS - PROPOSED.

The following are proposed adjustments we would like to bring to management's attention.

Management to confirm whether any of the below proposed adjustments should be processed in the financial statements.

	SOFA		Balance sheet		Surplus effect
	Dr	Cr	Dr	Cr	
Midland Mencap					
Surplus per draft financial statements	£	£	£	£	£
Proposed audit adjustments					
Write off historical stock balance	1,187			1,187	(1,187)
Revised surplus per proposed financial statements					2,086,418
Birmingham Multi-Care Support Services					
Surplus per draft financial statements	£	£	£	£	£
Proposed audit adjustments					
Bad debt provision	18,157			18,157	(18,157)
Correction to accrued respite income (BMC400018)	2,160			2,160	(2,160)
Revised surplus per proposed financial statements					58,373
					38,056

Registered number: 03006451

Charity number: 1043360

Midland Mencap

Trustees' report and financial statements

For the year ended 31 March 2024



Midland Mencap
(A company limited by guarantee)

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Midland Mencap

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**Reference and administrative details of the Charitable Company, its Trustees and advisers
For the year ended 31 March 2024**

Trustees M F Gallagher, Chair
K Gujral
J Cleminson (resigned 15 March 2024)
Dr F M McConnell
N P Green
C S Proctor
N Smith
A H E Winter (appointed 12 March 2024)
M A Roberts (appointed 15 March 2024)
C Jones (appointed 15 March 2024)

**Company registered
number** 03006451

Charity registered number 1043360

Registered office Unit E, Pinewood
Bell Heath Way
Woodgate Business Park
Birmingham
B32 3BZ

Chief executive officer D Rogers

Independent auditor Dains Audit Limited
2 Chamberlain Square
Paradise
Birmingham
B3 3AX

Bankers Unity Trust Bank
Four Brindley Place
Birmingham
B1 2JB

Midland Mencap

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Chairman's statement

For the year ended 31 March 2024

The chairman presents his statement for the year.

Much of this year has been played out against the significant financial difficulties facing Birmingham City Council. Indeed, most of the local authority areas we operate in the presenting circumstance has been one of financial pressure and the need for efficiency savings. However, this has not deterred us from continuing to deliver our mission and our services have continued to deliver high quality outcomes to citizens and families as planned.

In addition, the ongoing developments with how the NHS is structured and delivers its services has been an important part of our work as we engage with new networks and form new strategic relationships. Firstly, with Integrated Care Boards (ICB) in the region, the entity that joins up health and care services, to improve people's health and wellbeing, and to make sure everyone has the same access to services and gets the same outcomes from treatment, care, or support. Perhaps more importantly is the forging of a strong collaborative relationship with the local Integrated Care Systems (ICS) which are partnerships that bring together NHS organisations, local authorities, the Voluntary, Community & Social Enterprise (VCSE) Sector and others to take collective responsibility for planning services, improving health and reducing inequalities across the region.

We have been successful in both positioning Midland Mencap in these new governance and operating systems as well as using our organisational reputation, skill, knowledge, experience to reinforce our status as a senior sector voice alongside colleagues from the statutory agencies. At a senior leadership level, we are representing both Midland Mencap and the wider sector on key strategic Boards and Forums and consequently engaged with senior colleagues from our statutory partnerships and collaboration work.

This has been a solid year of performance. Despite the external pressures bearing down on our frontline services they continue to deliver quality outcomes, perform to contract and in many instances deliver KPI's over and above expectation. We have seen encouraging growth in our services supporting children and young people, particularly in Coventry and Worcester. We have added additional tenancies to our impressive housing portfolio, delivered every hour of contracted care and support whilst seeing encouraging growth and development in our community health and wellbeing services. All of our services are experiencing increased demand which has seen us working hard to maximise or increase capacity across our portfolio of services balanced against funding pressures, the cost-of-living crisis and our own high standards.

Recruitment and retention remain a challenging issue across the Third Sector. Ensuring our workforce is a key strategic priority has been a significant focus of organisational management time throughout the year. Importantly, especially in the face of the cost-of-living crisis, the organisation is committed to paying the Real Living Wage. In addition, there is a consistent focus on recruitment which has seen the organisation stabilise its workforce with vacancy rates across the organisation below the national average. A very significant pressure on the organisation is the need to ensure legal compliance regarding the training of our workforce. New mandatory training for all staff has been introduced this year alongside the existing mandatory programme and refresher courses. Going forward no additional funding has been made available to run the necessary training courses. We pride ourselves on the capability, quality and capacity of our exemplary workforce and remain committed to offering high quality training even in these exceptionally challenging times.

Another strategic priority that has made great progress in the last twelve months has been developing meaningful approaches to co-production ensuring the citizen voice is at the heart of decision making. Significant effort and dedicated resources have been put into engagement and consultation with a citizen panel now feeding directly into the organisations Board. This work will continue to be a strategic priority going forward as we seek a closer alliance between citizens and the governance of the organisation.

Midland Mencap

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Chairman's statement (continued)

For the year ended 31 March 2024

A priority of both the Executive and Non-Executive has been to closely monitor not only the external forces bearing down on the organisation but to also to ensure our internal systems and process are as lean and efficient as possible. To that end we have continued to develop a bespoke digital care management system connecting every colleague to our in-house system in real time. Additionally, we have invested in a new finance management system that will provide real time reporting, more efficient finance management processes and build a stronger operational relationship between finance oversight and budget holding managers.

We are very mindful of the potential future impact of funding decisions taken by our statutory partners over which we have little or no control. We have worked hard over preceding years to make the resourcing and delivery of our services as effective and efficient as possible. However, this is becoming increasingly difficult to achieve within the confines of the acute funding crisis in social care. We are already making key critical decisions relating to new business opportunities where we feel unable to deliver a service safely or offer quality and added value with the revenue funding available. The unrelenting squeeze on funding no longer meets our well managed organisational costs and without more money moving to social care from central Government our capacity to deliver high quality services will diminish.



M F Gallagher - Chair of Trustees

Date: 31 October 2024

The Trustees present their annual report together with the audited financial statements of the Midland Mencap for the year 1 April 2023 to 31 March 2024. The Annual report serves the purposes of both a Trustees' report and a directors' report under company law. The Trustees confirm that the Annual report and financial statements of the charitable company comply with the current statutory requirements, the requirements of the charitable company's governing document and the provisions of the Statement of Recommended Practice (SORP) applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS102) (effective 1 January 2019).

Mission

Midland Mencap works and campaigns for accessible and inclusive service and a better quality of life for everyone with experience of learning disability by advancing the views, needs and ambitions of people with experience of learning disability, promoting inclusion through challenging prejudice and discrimination, influencing social policy through campaigning, inspiring, developing and delivering innovative quality services, which express inclusion, integration, expressed need and diversity and achieving equality of civil and legal rights through campaigning.

Objectives and activities

a. Policies and objectives

The current organisational strategy continues to steer the organisation against a backdrop of extreme challenges and uncertainty of funding that is facing the Third Sector. However, Midland Mencap continues to deliver a progressive and solution based strategy that continues to identify opportunities for growth in our service delivery in order to best serve people with disabilities and their families and carers regardless of age, gender and ethnicity. In delivering Midland Mencap's aims and objectives we will endeavour:

- To consolidate Midland Mencap's position as a leading disability provider in the West Midlands.
- To embed the recent governance changes within our offer to citizens and families that both strengthen and broaden access to Midland Mencap's three core offers.
- To further develop the robustness and effectiveness of the organisation's governance with ongoing commitment to Board development and trustee recruitment.
- To be a sector lead in the delivery of Universal Prevention Services.
- To align our Housing with Care & Support offer to proposed Prevention First and lifestyle commissioning of social care and Public Health.
- To position Midland Mencap core services with regional local authorities, West Midlands Combined Authority and other prospective funders.
- To work with partner organisations in securing Community Asset Transfer opportunities and mergers where they are consistent with Midland Mencap's core mission.
- To deliver on the expectations of our registration on Birmingham City Council's Business Charter for Social Responsibility.
- To continue to invest in our Housing provision.
- Working with citizens and family carers, as key partners, continue developing the organisational community offer promoting inclusion, well-being, and active lifestyles relevant to changing needs and rising demand.
- To continue to explore and diversify our funding streams in order to ensure continuity of projects that promote the core mission of Midland Mencap.
- To continue to explore and develop IT advancement and systems that promotes productivity and smooth delivery of our services.

Midland Mencap

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Trustees' report (continued)

For the year ended 31 March 2024

Objectives and activities (continued)

- To continue to deliver a comprehensive volunteering strategy that meets the core mission of Midland Mencap.
- To maximise the use of marketing and social media to achieve recognition that promotes the work of Midland Mencap.
- To modernise and streamline the way we work.
- To raise more income through our fundraising and the development of corporate relationships.
- To continue to build capacity and resilience of our subsidiary organisation.
- To focus on our expertise and obtaining necessary expertise as a base for entering new market segments.

In setting objectives and planning for activities, the Trustees have given due consideration to general guidance published by the Charity Commission relating to public benefit, including the guidance 'Public benefit: running a charity (PB2)'.

The Trustees always ensure that their strategic and operational objectives are carried out for the public benefit. This is achieved through the provision of a wide range of services to people with learning disabilities. This annual report demonstrates how Midland Mencap has spent funds available towards meeting its charitable objectives.

Achievements and performance

a. Main achievements of the Charitable Company

This has been another challenging year for the sector. The impact of the cost-of-living crisis, maintaining our real living wage status, significant financial stress in most local authority social care budgets and increased demand on services have significantly impacted service delivery for the provider sector. Over many years we have worked hard to ensure efficiency in our costs without reducing either the scale or quality of the support services we provide. Considerable work goes into setting budgets, managing resources, and controlling the organisations reserves to maximise outcomes and outputs. Year on year this has become harder to achieve and going forward Government must urgently address a fair and sustainable funding commitment to avert a growing threat of sector collapse. The following text offers an overview of our key areas of activity.

Housing Care & Support

The operating environment remains challenging due to the local authority's financial constraints, with social workers aiming to reduce care package sizes during reassessments. Over the past 12 months, the Domiciliary Care department has fully integrated all remaining Birmingham Multicare staff and citizens into the service. Midland Mencap presently provides care to 138 citizens, delivering a total of 4,875 hours of service per week. The department has also expanded its management team by adding a Domiciliary Care Manager and a Senior Care Coordinator.

This year, the removal of a legacy NHS grant, low occupancy rates, and high infrastructure costs led to the unavoidable closure of two respite care homes. Discussions with the NHS are ongoing regarding the disposal of one of these properties. However, the organisation has purchased an additional bungalow, which has undergone extensive renovations and will soon accommodate three citizens. Another property has been identified and is currently under offer as part of the organisation's expansion plans.

Separately, the Community Wellbeing Service has delivered 98,061 preventative hours of support to 382 citizens at any given time, with 121 referrals received this calendar year. The PURE service (employability) was the city's top-ranked provider out of nine in 2023/2024 and successfully hosted high-profile participant events at the WCCC, St Andrews, and the Library of Birmingham. We are awaiting news on commissioning intentions for PURE post-March 2025.

The Carers Emergency Response Service (CERS) team remains in high demand and has recently recruited a service manager and officer to fill vacant roles. As of September 2024, the CERS service has 1,537 registered carers.

Children Services

Children Services have continued to develop and deliver a robust regional service across Birmingham, Coventry, North Warwickshire, and Worcester, for children and young people with disabilities. During the period between 2023-2024, across Birmingham, the CYP team have increased delivery, providing 9,251 hours working with over 120 children and young people, incorporating weekend, evening, holiday, and after-school provision. The increase in delivery has meant the staff team have expanded from 25 frontline staff to 50 across the period.

Similarly, there has been significant development of provision within the Coventry and North Warwickshire region, observing a triple figure increase of 2749 in delivery across the year, supporting 24 children and young people and increasing the staff team to 13 frontline staff. Excitingly, Ofsted registration was applied for the Coventry provision during this period.

Achievements and performance (continued)

The Worcester short breaks service has seen an increase in provision delivering to 15 children across the region. Operating at full capacity, the CYP team have strived to continue to deliver an inclusive and accessible service provision, developing partnerships and community networks within each region's locality, enabling a solid foundation for long-term sustainability.

Community Support Services

The Community Hub has had an exceptionally busy year; the café at the Weoley Castle Community Centre was refurbished and relaunched as the Happy Bean café and is now open to the public. The activity offer, especially sport has grown, which has resulted in a large increase in citizens around 300. The service continues to work with other local assets and embraces co-production and an ABCD (Asset Based Community Development) approach to development.

Asha Community Project, The team has grown from 2 to 4 staff, who continue to support 6 ladies from the South Asian community to access a range of local and cultural and gender specific, which the ladies of the services direct through a person-centred approach.

The Family Carers Wellbeing Team, The team has had another successful year of supporting unpaid family carers and have continued to receive strong feedback on the quality of their Statutory Carers Assessments. They have worked with more 400 unpaid carers in different ways, from assessments, to support groups, workshops and events.

Short Breaks for Parent-Carers of Disabled Children, The brokerage service has continued to support 13 local network partners to deliver short breaks to around 900 children with mild disabilities and additional needs.

Walsall Disability Hub, The Hub has become more busy than last year, an increase in new citizens and activities delivered to around 200 citizens. Work to co-join the Carers Hub with the work of the Disability Hub has proved successful with joint events during key events like Carers Week and Learning Disability week a great success.

Walsall Carers Hub, The Carers Hub is performing well and reaching new carers. There are now around 3,000 carers and has successfully held large scale events like the Carers Week Event on behalf of the local authority, which was highly praised by the Commissioners. The team continue to innovate with partners to offer new and refreshed activities like regular Citizen Voice sessions to ensure Carers are shaping the service offer.

Parkride continues to deliver high volumes of accessible opportunities across the region. Parkride is now the leading inclusive cycling scheme and remains in the eyeline of key funders in support of wider public health and wellbeing strategies.

On **social media**, we adopted a more structured and consistent approach. We focused on making our online content easier to understand by using clear language in posts and adding Alt text to images. Alt text, which is a brief description of an image, helps people understand what's shown, making our content more accessible. Thanks to these changes, we saw significant growth on Facebook: a 397% increase in reach, 172% more engagement, and a 115% rise in video minutes watched compared to last year.

Looking ahead, we see an opportunity to use online advertising to reach a wider and more targeted audience. With ads, we can expand our reach and bring more people into Midland Mencap services and community.

Achievements and performance (continued)

In September, Midland Mencap launched weekly digital workshops for people with learning disabilities to build their digital skills and learn how to create online content. Participants have covered key topics, including online safety, content planning, editing, and uploading online. One highlight of the workshops was working with West Midlands Police to make videos on Hate Crime Awareness, empowering participants to use their voices for change. Another success was a Makaton Christmas video, which received over 10,000 views on TikTok, showing the impact of inclusive content.

Finally, we helped the Midland Mencap Football Team raise over £2,000 for new kits through a combination of online fundraising campaigns and in-person events like a quiz night. This success highlights the power of our digital platforms to bring people together and achieve important goals.

Overall, this year's digital efforts have strengthened Midland Mencap's online presence, moving us closer to a more inclusive and engaged community."

Business Development

Due to the high demand for funding from Trusts and Grants, criteria have become more stringent, making Midland Mencap ineligible for many funding streams.

Despite this, we have achieved some success with Local Authority funding. From Birmingham HAF fund we secured £2,416 for delivering two CYP sessions, an equipment grant of £975, and sports kit valued at approximately £450, totalling £3,436. We received £9,300 from the Shared Prosperity Fund to deliver Parkride in North Birmingham. Additionally, Midland Mencap received £1,000 from the Barclay Football Fund for staff training.

Financial review

a. Going concern

After making appropriate enquiries, the Trustees have a reasonable expectation that the Charitable Company has adequate resources to continue in operational existence for the foreseeable future. For this reason, they continue to adopt the going concern basis in preparing the financial statements. Further details regarding the adoption of the going concern basis can be found in the accounting policies.

b. Reserves policy

Over the last fifteen years Midland Mencap has built up substantial assets and cash reserves. The Trustees and Executive team recognise that though the level of reserves provides the charity with significant financial security it also potentially inhibits relationships with existing or potential funders.

Having a reserves policy and clear explanations on why reserves are held at particular levels is a key part of the internal financial management of the organisation allowing the Trustees and management team to manage resources effectively and plan for the future.

Free reserves are the funds Midland Mencap can expend on any of its charitable purposes without external restrictions from funders. This does however exclude restricted funds as these must be spent for a specific purpose that it was initially intended by the funder. The free reserves also exclude the organisation's tangible fixed assets held for the the charity's own use. This is because these assets are used by Midland Mencap to deliver activities and as such will not be instantly be converted to cash in order to meet a funding deficit should such need arise. In addition to this, designated funds are also excluded from free reserves. The designated funds are set aside to meet essential and specific short to medium term liabilities and projects that advance the organisation's charitable aims and objectives.

Therefore Midland Mencap's strategic plans have and will be developed to utilise the remaining free reserves to:

- Protect the financial stability of the organisation.
- Invest in IT infrastructure that will ensure efficient and effective operational processes.
- Facilitate the strategic and planned investment in growing our Community Hub offer to ensure its self sustainability and wider reach.
- Allow the organisation to operate uninterrupted services in the event of funding delay or substantial funding cuts.
- Fund the organisation's growth strategy especially for new geographical areas.

Further to the use of free reserves outlined above, below are the details of the circumstances in which the free reserves will be utilised:

- To ensure funds are available for unforeseen emergencies or other unexpected needs, for example unexpected property repairs or funding for an urgent project opportunities.
- Unforeseen day to day operational costs.
- Grant income not being renewed.
- Planned commitments which may need higher levels of reserves.
- Funds to allow for increased beneficiary need.
- The need to fund short-term deficits in a cash budget, for example, money may need to be spent before funding is received.
- Staff retention

Midland Mencap

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Trustees' report (continued)

For the year ended 31 March 2024

The group's consolidated total reserves at 31 March 2024 were £15,326,086 (2023 - £13,177,871). £5,528,295 (2023 - £5,884,904) of this is represented by tangible fixed assets held for charitable use, £630,000 (2023 - £874,000) of which is restricted funds, and a further £2,200,000 (2023 - £2,200,000) is designated funds (details given under financial review), which leaves the group with free reserves of £7,575,790 (2023 - £5,092,967) as at 31 March 2024 - equivalent to 9 months' worth of current staff salaries.

The Trustees consider that the current level of reserves will ensure that, in the event of a significant drop in funding, they will be able to continue the Charitable Company's current activities whilst consideration is given to ways in which additional funds may be raised. The reserves levels are monitored and maintained throughout the year.

c. Review of financial position

Midland Mencap continues to hold 100% stake in its subsidiary, Birmingham Multi-Care Support Services. This is a charitable company, limited by guarantee, whose mission, values, objectives and activities align with those of Midland Mencap. As such the Midland Mencap financial statements are reported as consolidated accounts in accordance with relevant Accounting Standards.

The total consolidated income of £10,994,996 (2023 - £9,608,511) included £580,242 (2023 - £827,214) income from the subsidiary and the total expenditure of £8,945,963 (2023 - £8,352,467) included £521,869 of subsidiary expenditure (2023 - £775,460). The subsidiary reported a surplus of £58,373 (2023 - £5,800) and the overall group performance reported a surplus of £2,148,215 (2023 - £1,203,554). The consolidated total reserves stood at £15,326,086 (2023 - £13,177,871). The group continues to have sufficient cash flows to carry out its charitable objectives.

As explained in the reserves policy below, some reserves have been designated to meet planned expenditure and projects expected to be undertaken in the coming financial year. £2.2m (2023 - £2.2m) has been designated to Domicare, new business development to ensure funding diversification and funding the growth and sustainability of Midland Mencap's Community services in the face of funding cuts against an increased demand for services.

The £653k (2023 - £874k) in restricted reserves is largely attributable to Birmingham Multi-Care properties with a provision that the monies be repaid to the trust, local and central government departments should certain conditions not be met.

d. Risk factors

The board of Trustees continually assess the risks to which the charity is exposed and systems have been put in place to mitigate these risks. Internal controls have been put in place to minimise operational risks by implementing an active and rigorous policy on safeguarding and health and safety procedures. Internal financial risks have been minimised by continual review and implementation of authorisation and monitoring of all transactions. Risks to future income and expenditure levels are monitored by setting annual budgets and monitoring actual performance on a monthly basis and this is reported to trustees at every board meeting. Where significant financial risk still remains, the board has ensured proper insurance cover.

Midland Mencap

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Trustees' report (continued)

For the year ended 31 March 2024

Structure, governance and management

a. Constitution

Midland Mencap is registered as a charitable company limited by guarantee and not having share capital, incorporated in January 1995 and registered as a charity. The Charitable Company was established by its Memorandum of Association, which sets out the objects and powers of the Charitable Company and is governed by its Articles of Association. The Memorandum and Articles of Association were amended and a resolution was passed at a Special General Meeting held on 31 October 2018. The Charity Commission has also approved the amendments to the governing documents.

b. Methods of appointment or election of Trustees

The management of the Group and the Charitable Company is the responsibility of the Trustees who are elected and co-opted under the Articles of Association.

None of the Trustees have any beneficial interest in the Charitable Company. All of the Trustees are members of the Company. The Trustees and other members guarantee to contribute £1 in the event of an insolvent winding up.

When recruiting new Trustees the existing Trustees look for those individuals whose skills and experience can make a significant contribution to the management of the Charitable Company.

All new Trustees are made aware of their responsibilities as Charity Trustees and Company Directors and are helped to familiarise themselves with the practical and financial aspects of the Charitable Company's operations. To help them they are provided with a copy of the Company's Memorandum and Articles of Association, the latest published accounts, the Charitable Company's mission statement and appropriate Charity Commission publications.

c. Organisational structure and decision-making policies

The business of the Charity is managed by the Trustees acting as members and the Executive Committee. The Committee consists of the honorary officers of the Charity; up to twelve other members are appointed by the Board. The number of Executive Committee members may not be less than eight.

On 31 October 2018 a special general meeting was held to pass a special resolution allowing the Charity to now be governed by the revised Memorandum and Articles of Association. The Charity Commission has approved amendments to the organisation's Memorandum and Articles of Association and Charity's Objectives.

The Board of Trustees continues to delegate the responsibility for the day to day management of the Charity business to the Chief Executive and the senior management team. There is a clear distinction between the roles of the trustees and the senior management team. The senior management team is responsible for the production of strategic and operational plans, policies and budgets which are presented to the board of trustees for consideration, approval and monitoring. Board meetings are held regularly in order to update the Trustees on the activities and financial performance of the Charity.

d. Related party relationships

The Charity is affiliated to Royal Mencap, Mencap National Centre, 123 Golden Lane, London, EC1Y 0RT.

Midland Mencap

(A company limited by guarantee)

Trustees' report (continued)

For the year ended 31 March 2024

Structure, governance and management (continued)

e. Financial risk management

The Trustees have assessed the major risks to which the Group and the Charitable Company are exposed, in particular those related to the operations and finances of the Group and the Charitable Company, and are satisfied that systems and procedures are in place to mitigate exposure to the major risks.

Plans for future periods

Future Strategic Objectives

- Publish a refreshed and fully costed organisational strategic plan for the period 2025 – 2028
- Continue to seek viable business development opportunities across the region whilst at the same time put in place a funded plan to both consolidate and insulate existing service provision against external economic pressures
- During this period to increase the tenancies within our housing stock by eight through the purchase and refurbishment of properties from the residential housing market
- In conjunction with an accredited delivery partner deliver an in-house management and personal development pathway for first in line managers
- Continue to build our model of co-production further aligning citizen influence with the organisations governance
- Continue to build key strategic and collaborative partnerships with both statutory and Voluntary, Community & Social Enterprise (VCSE) Sector.

Engagement with employees and employment of the disabled

Employees have been consulted on issues of concern to them by means of regular consultative committee and staff meetings and have been kept informed on specific matters directly by management. The Group and the Charitable Company carry out exit interviews for all staff leaving the organisation and have adopted a procedure of upward feedback for senior management and the Trustees.

The Group and the Charitable Company have implemented a number of detailed policies in relation to all aspects of personnel matters including:

- Equal opportunities policy
- Volunteers' policy
- Health & safety policy

In accordance with the Group and the Charitable Company's equal opportunities policy, the Group and the Charitable Company have long-established fair employment practices in the recruitment, selection, retention and training of disabled staff.

Full details of these policies are available from the Charitable Company's offices.

Midland Mencap aims to pay salaries that are fair and competitive within the charity sector in order to retain qualified staff. From January 2023, the Board took the decision to introduce the real living wage ahead of a May 2023 deadline. Remuneration of the senior management team is set and approved by the Board of Trustees' who benchmark their decision based on pay levels of similar sized charities.

Midland Mencap
(A company limited by guarantee)

Trustees' report (continued)
For the year ended 31 March 2024

Engagement with employees and employment of the disabled (continued)

Our key management personnel are the Chief Executive, Director of Operations, Head of Housing Care and support, Deputy Director of Operations and Head of Finance.

Midland Mencap is committed to paying the Real Living Wage as set by Birmingham Business Charter.

Disclosure of information to auditor

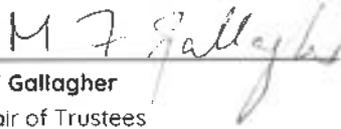
Each of the persons who are Trustees at the time when this Trustees' report is approved has confirmed that:

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

Auditor

Dains Audit Limited were appointed during the year and have indicated their willingness to continue in office. The designated Trustees will propose a motion reappointing the auditor at a meeting of the Trustees.

Approved by order of the members of the board of Trustees on 31 October 2024 and signed on their behalf by:


M F Gallagher
Chair of Trustees

Midland Mencap

(A company limited by guarantee)

Independent auditor's report to the Members of Midland Mencap

Opinion

We have audited the financial statements of Midland Mencap (the 'parent charitable company') and its subsidiaries (the 'group') for the year ended 31 March 2024 which comprise the Consolidated statement of financial activities, the Consolidated balance sheet, the Charitable Company balance sheet, the Consolidated statement of cash flows and the related notes, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the Group's and of the parent charitable company's affairs as at 31 March 2024 and of the Group's 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 Group in accordance with the ethical requirements that are relevant to our audit of the financial statements in the United Kingdom, including the Financial Reporting Council's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

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

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the Group's or the parent 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.

Independent auditor's report to the Members of Midland Mencap (continued)

Other information

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

We have nothing to report in this regard.

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 for the financial year for which the financial statements are prepared is consistent with the financial statements.
- the Trustees' report has been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of our 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 Trustees' report.

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

- the parent charitable company has not kept adequate and sufficient accounting records, or returns adequate for our audit have not been received from branches not visited by us; or
- the parent charitable company 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.

Independent auditor's report to the Members of Midland Mencap (continued)

Responsibilities of trustees

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

In preparing the financial statements, the Trustees are responsible for assessing the Group's and the parent 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 Group or the parent 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 extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

Our approach to identifying and assessing the risks of material misstatement in respect of irregularities, including fraud and non-compliance with laws and regulations, was as follows:

- the senior statutory auditor ensured that the engagement team collectively had the appropriate competence, capabilities and skills to identify or recognise non-compliance with applicable laws and regulations;
- we identified the laws and regulations applicable to the group and the parent charitable company through discussions with directors and other management, and from our commercial knowledge and experience of the charity sector;
- we focused on specific laws and regulations which we considered may have a direct material effect on the financial statements or the operations of the group and the parent charitable company, including the financial reporting legislation, Companies Act 2006, Charities Act 2011, taxation legislation, anti-bribery, employment, and environmental and health and safety legislation;
- we assessed the extent of compliance with the laws and regulations identified above through making enquiries of management and inspecting legal correspondence; and
- identified laws and regulations were communicated within the audit team regularly and the team remained alert to instances of non-compliance throughout the audit.

Independent auditor's report to the Members of Midland Mencap (continued)

We assessed the susceptibility of the group and the parent charitable company's financial statements to material misstatement, including obtaining an understanding of how fraud might occur, by:

- making enquiries of management as to where they considered there was susceptibility to fraud, their knowledge of actual, suspected and alleged fraud; and
- considering the internal controls in place to mitigate risks of fraud and non-compliance with laws and regulations.

To address the risk of fraud through management bias and override of controls, we:

- performed analytical procedures to identify any unusual or unexpected relationships;
- tested journal entries to identify unusual transactions;
- assessed whether judgements and assumptions made in determining the accounting estimates were indicative of potential bias; and
- investigated the rationale behind significant or unusual transactions.

In response to the risk of irregularities and non-compliance with laws and regulations, we designed procedures which included, but were not limited to:

- agreeing financial statement disclosures to underlying supporting documentation;
- reading the minutes of meetings of those charged with governance;
- enquiring of management as to actual and potential litigation and claims; and
- reviewing correspondence with HMRC, relevant regulators and the group's and parent charitable company's legal advisors.

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

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

Other matters

The financial statements of the Group and the parent Charitable Company for the year ended 31 March 2023 were audited by Haines Watts Birmingham LLP who expressed an unmodified opinion on those financial statements on 26 October 2023.

Midland Mencap
(A company limited by guarantee)

Independent auditor's report to the Members of Midland Mencap (continued)

Use of our report

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

Andrew Morris FCA (Senior statutory auditor)

for and on behalf of

Dains Audit Limited

Statutory Auditor
Chartered Accountants

Birmingham

31 October 2024

Midland Mencap
(A company limited by guarantee)

Consolidated Statement of financial activities (incorporating income and expenditure account)
For the year ended 31 March 2024

	Note	Unrestricted funds 2024 £	Restricted funds 2024 £	Total funds 2024 £	Total funds 2023 £
Income from:					
Donations and legacies	3	479,063	634,355	1,113,418	920,981
Charitable activities	4	9,669,660	-	9,669,660	8,562,520
Other trading activities	5	16,629	-	16,629	8,318
Investments	6	160,875	-	160,875	109,897
Other income	7	14,059	20,355	34,414	6,795
Total income		10,340,286	654,710	10,994,996	9,608,511
Expenditure on:					
Raising funds	8	24,096	-	24,096	-
Charitable activities	9	8,291,928	629,939	8,921,867	8,352,467
Total expenditure		8,316,024	629,939	8,945,963	8,352,467
Net income before investments		2,024,262	24,771	2,049,033	1,256,044
Net gains/(losses) on investments		99,182	-	99,182	(52,490)
Net income		2,123,444	24,771	2,148,215	1,203,554
Transfers between funds	19	245,771	(245,771)	-	-
Net movement in funds		2,369,215	(221,000)	2,148,215	1,203,554
Reconciliation of funds:					
Total funds brought forward	19	12,303,871	874,000	13,177,871	11,974,317
Net movement in funds		2,369,215	(221,000)	2,148,215	1,203,554
Total funds carried forward	19	14,673,086	653,000	15,326,086	13,177,871

The notes on pages 23 to 48 form part of these financial statements.

Midland Mencap
(A company limited by guarantee)
Registered number: 03006451

Consolidated balance sheet
As at 31 March 2024

	Note	2024 £	2023 £
Fixed assets			
Tangible assets	14	5,528,295	5,884,904
Investments	15	1,033,158	921,841
		<u>6,561,453</u>	<u>6,806,745</u>
Current assets			
Stocks		1,187	1,187
Debtors	16	1,401,839	1,380,819
Investments	17	5,125,000	900,000
Cash at bank and in hand		3,117,803	5,122,304
		<u>9,645,829</u>	<u>7,404,310</u>
Creditors: amounts falling due within one year	18	(881,196)	(1,033,184)
Net current assets		<u>8,764,633</u>	<u>6,371,126</u>
Total net assets		<u>15,326,086</u>	<u>13,177,871</u>
Charity funds			
Restricted funds	19	653,000	874,000
Unrestricted funds	19	14,673,086	12,303,871
Total funds		<u>15,326,086</u>	<u>13,177,871</u>

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

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


M F Gallagher
Chair of Trustees

Date: 31 October 2024

The notes on pages 23 to 48 form part of these financial statements.

Midland Mencap
(A company limited by guarantee)
Registered number: 03006451

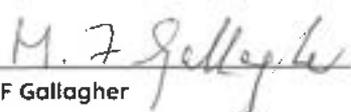
Charity balance sheet
As at 31 March 2024

	Note	2024 £	2023 £
Fixed assets			
Tangible assets	14	4,898,296	5,010,545
Investments	15	1,033,158	921,841
		<u>5,931,454</u>	<u>5,932,386</u>
Current assets			
Stocks		1,187	1,187
Debtors	16	1,312,139	1,203,407
Investments	17	5,125,000	900,000
Cash at bank and in hand		2,499,280	4,850,113
		<u>8,937,606</u>	<u>6,954,707</u>
Creditors: amounts falling due within one year	18	(845,346)	(949,798)
Net current assets		<u>8,092,260</u>	<u>6,004,909</u>
Total net assets		<u><u>14,023,714</u></u>	<u><u>11,937,295</u></u>
Charity funds			
Restricted funds		23,000	-
Unrestricted funds		14,000,714	11,937,295
Total funds		<u><u>14,023,714</u></u>	<u><u>11,937,295</u></u>

The Charitable Company's net movement in funds for the year was £2,086,419 (2023 - £1,204,050).

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

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


M F Gallagher
Chair of Trustees

Date: 31 October 2024

The notes on pages 23 to 48 form part of these financial statements.

Midland Mencap
(A company limited by guarantee)

Consolidated statement of cash flows
For the year ended 31 March 2024

	Note	2024 £	2023 £
Cash flows from operating activities			
Net cash used in operating activities	21	1,860,952	1,254,525
Cash flows from investing activities			
Dividends, interests and rents from investments		160,875	109,897
Proceeds from the sale of tangible fixed assets		245,772	-
Purchase of tangible fixed assets		(34,965)	(2,538,438)
Proceeds from sale of investments		123,816	140,255
Purchase of listed investments		(135,951)	(147,751)
Net cash provided by/(used in) investing activities		359,547	(2,436,037)
Cash flows from financing activities			
Repayments of finance leases		-	(2,529)
Net cash provided by/(used in) financing activities		-	(2,529)
Change in cash and cash equivalents in the year		2,220,499	(1,184,041)
Cash and cash equivalents at the beginning of the year		6,022,304	7,206,345
Cash and cash equivalents at the end of the year	22	8,242,803	6,022,304

The notes on pages 23 to 48 form part of these financial statements

1. General information

Midland Mencap is a charitable company incorporated under the Companies Act in England and Wales and registered with the Charity Commission for England and Wales. The registered number and address of the registered office are given in the reference and administration section of these financial statements.

The nature of the charity's operations and principal activities are to provide a wide range of services to people with learning disabilities, which include Home Support, Supported Living, and the Carers Emergency Response Service (CERS) under the charity's CQC registered domiciliary care services, Learning Disability Community Wellbeing Service (CWS), Sitting Service, Placing Vulnerable Urban Residents into Employment and Training (PURE) and Housing Management Services.

2. Accounting policies

2.1 Basis of preparation of financial statements

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

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

The Consolidated statement of financial activities (SOFA) and Consolidated balance sheet consolidate the financial statements of the Charitable Company and its subsidiary undertaking. The results of the subsidiary are consolidated on a line by line basis.

The Charitable Company has taken advantage of the exemption allowed under section 408 of the Companies Act 2006 and has not presented its own Statement of financial activities in these financial statements.

2.2 Going concern

The Trustees assess whether the use of going concern is appropriate i.e. whether there are any material uncertainties related to events or conditions that may cast significant doubt on the ability of the Group and the parent charitable company to continue as a going concern. The trustees make this assessment in respect of a period of one year from the date of authorisation for issue of the financial statements and have concluded that the Group and the parent charitable company has adequate resources and liquid funds sufficient to support its cash flow requirements and to continue in operational existence for the foreseeable future and there are no material uncertainties about the charity's ability to continue as a going concern, thus they continue to adopt the going concern basis of accounting in preparing the financial statements.

2. Accounting policies (continued)

2.3 Income

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

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

Gifts donated for resale are included as income when they are sold.

Investment income is earned through holding assets for investment purposes such as shares and property. It includes dividends, interest and rent. Where it is not practicable to identify investment management costs incurred within a scheme with reasonable accuracy, the investment income is reported net of these costs. It is included when the amount can be measured reliably. Interest income is recognised using the effective interest rate method and dividend income is recognised as the charitable company's right to receive payment is established.

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

Incoming resources from grants, where related to performance and specific deliverables, are accounted for as the Charity earns the right to consideration due by its satisfaction of performance obligations.

Income received through contracts is recognised from the point in which the Charitable Company has entitlement to the funds, contract conditions have been fully met or it is probable that the income will be received.

Where grant funding agreements contain conditions that specify the services to be performed in the form of a service level agreement, the conditions for payment are linked to the achievement of a particular level of service or the units of output delivered. Income must only be recognised to the extent that the Charity has provided the specified services as entitlement to the grant only occurs when the performance-related conditions are met.

Other income is recognised in the period in which it is receivable and to the extent the goods have been provided or on completion of the service.

2. Accounting policies (continued)

2.4 Expenditure

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

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

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

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

All expenditure is inclusive of irrecoverable VAT.

2.5 Interest receivable

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

2.6 Taxation

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

2. Accounting policies (continued)

2.7 Tangible fixed assets and depreciation

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

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

Individual freehold properties are initially recognised at cost. After recognition, under the revaluation model, tangible fixed assets whose fair value can be measured reliably shall be carried at a revalued amount, being their fair value at the date of revaluation less any subsequent accumulated depreciation and subsequent accumulated impairment losses.

Revaluations are made with sufficient regularity to ensure that the carrying amount does not differ materially from that which would be determined using fair value at the end of the reporting date.

Fair values are determined from market-based evidence by appraisal that is normally undertaken by professionally qualified valuers. If there is no market-based evidence of fair value because of the specialised nature of the tangible fixed asset and it is rarely sold, except as part of a contributing business, a Charitable Company may need to estimate fair value using an income or depreciated replacement cost approach.

Gains and losses on revaluation are recognised in the Consolidated statement of financial activities, with a separate revaluation reserve being shown in the Statement of funds note.

At each reporting date the Charitable Company assesses whether there is any indication of impairment. If such indication exists, the recoverable amount of the asset is determined to be the higher of its fair value less costs to sell and its value in use. An impairment loss is recognised where the carrying amount exceeds the recoverable amount.

Depreciation is charged so as to allocate the cost of tangible fixed assets less their residual value over their estimated useful lives, using the straight-line method.

Depreciation is provided on the following bases:

Freehold property	- 2% straight-line
Leasehold property	- over the term of the lease
Leasehold property improvements	- 10% straight-line
Motor vehicles	- 25% straight-line
Fixtures and fittings	- 10% - 35% straight-line
Office equipment	- 10% - 35% straight-line

Gains and losses on disposals are determined by comparing the proceeds with the carrying amount and are recognised in the Consolidated statement of financial activities.

2. Accounting policies (continued)

2.8 Investments

Fixed asset investments are a form of financial instrument and are initially recognised at their transaction cost and subsequently measured at fair value at the Balance sheet date, unless the value cannot be measured reliably in which case it is measured at cost less impairment. Investment gains and losses, whether realised or unrealised, are combined and presented as 'Gains/(Losses) on investments' in the Consolidated statement of financial activities.

Investments in subsidiaries are valued at cost less provision for impairment.

2.9 Stocks

Stocks are valued at the lower of cost and net realisable value. Donated items not yet sold are not included.

2.10 Debtors

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

2.11 Current asset investments

Current asset investments includes cash on deposit with a maturity date of less than one year held for short-term investment purposes rather than cashflow. Current asset investments are valued at fair value unless they qualify as 'basic' financial assets.

2.12 Cash at bank and in hand

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

2.13 Liabilities and provisions

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

Liabilities are recognised at the amount that the Charitable Company anticipates it will pay to settle the debt or the amount it has received as advanced payments for the goods or services it must provide.

Provisions are measured at the best estimate of the amounts required to settle the obligation. Where the effect of the time value of money is material, the provision is based on the present value of those amounts, discounted at the pre-tax discount rate that reflects the risks specific to the liability. The unwinding of the discount is recognised in the Consolidated statement of financial activities as a finance cost.

2. Accounting policies (continued)

2.14 Financial instruments

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

2.15 Finance leases and hire purchase

Assets obtained under hire purchase contracts and finance leases are capitalised as tangible fixed assets. Assets acquired by finance lease are depreciated over the shorter of the lease term and their useful lives. Assets acquired by hire purchase are depreciated over their useful lives. Finance leases are those where substantially all of the benefits and risks of ownership are assumed by the Charity. Obligations under such agreements are included in creditors, net of the finance charge allocated to future periods. The finance element of the rental payment is charged to the Consolidated statement of financial activities so as to produce a constant periodic rate of charge on the net obligation outstanding in each period.

2.16 Operating leases

Rentals paid under operating leases are charged to the Consolidated statement of financial activities on a straight-line basis over the lease term.

2.17 Pensions

The Group operates a defined contribution pension scheme. The assets of the scheme are held separately from those of the Charity and the pension charge represents the amounts payable by the Charity to the fund in respect of the year.

2.18 Fund accounting

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

Designated funds comprise unrestricted funds that have been set aside by the Trustees for particular purposes. The aim and use of each designated fund is set out in the notes to the financial statements.

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

Investment income, gains and losses are allocated to the appropriate fund.

2. Accounting policies (continued)

Critical accounting estimates and areas of judgement

In the application of the Group's accounting policies, the Trustees are required to make judgements, estimates and assumptions about the carrying amount of assets and liabilities that are not readily apparent from other sources.

Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. The charitable company makes estimates and assumptions concerning the future. The resulting accounting estimates and assumptions will, by definition, seldom equal the related actual results.

Revisions to accounting estimates are recognised in the period in which the estimate is revised where the revision affects only that period, or in the period of the revision and future periods where the revision affects both current and future periods.

Critical accounting estimates and assumptions:

Depreciation - Useful economic life and residual value

Tangible fixed assets are depreciated over their useful lives taking into account residual values where appropriate. The actual lives of the assets and residual values are assessed annually and may vary depending on a number of factors. In reassessing the useful economic lives of assets, factors such as technological innovation, product life cycles and maintenance programmes are taken into account. Residual value assessments consider issues such as future market conditions, the remaining life of the asset and projected disposal values, and plans to dispose of an asset before the previously expected date.

3. Income from donations and legacies

	Unrestricted funds 2024 £	Restricted funds 2024 £	Total funds 2024 £
Donations	3,238	-	3,238
Grants	475,825	634,355	1,110,180
	<u>479,063</u>	<u>634,355</u>	<u>1,113,418</u>
	Unrestricted funds 2023 £	Restricted funds 2023 £	Total funds 2023 £
Donations	7,897	-	7,897
Grants	370,736	542,348	913,084
	<u>378,633</u>	<u>542,348</u>	<u>920,981</u>

4. Income from charitable activities

	Unrestricted funds 2024 £	Total funds 2024 £	Total funds 2023 £
Domiciliary care fees	4,754,107	4,754,107	4,598,873
HB & Residents contributions	2,480,067	2,480,067	1,789,427
Carers activities (Forward carers)	883,170	883,170	840,443
Activity and travel contributions	713,235	713,235	704,243
Supporting people	659,698	659,698	507,368
Other contributions	126,006	126,006	85,991
PA service	53,377	53,377	36,175
	<u>9,669,660</u>	<u>9,669,660</u>	<u>8,562,520</u>

The income in 2023 was wholly attributable to unrestricted funds.

5. Income from other trading activities

	Unrestricted funds 2024 £	Total funds 2024 £	Total funds 2023 £
Café and bar	13,529	13,529	8,318
Room lettings	3,100	3,100	-
	<u>16,629</u>	<u>16,629</u>	<u>8,318</u>

The income in 2023 was wholly attributable to unrestricted funds.

Notes to the financial statements
For the year ended 31 March 2024

6. Investment income

	Unrestricted funds 2024 £	Total funds 2024 £	Total funds 2023 £
Rental income	42,614	42,614	47,066
Income from listed investments	18,868	18,868	14,062
Interest receivable	99,393	99,393	48,769
	<u>160,875</u>	<u>160,875</u>	<u>109,897</u>

The income in 2023 was wholly attributable to unrestricted funds.

7. Other incoming resources

	Unrestricted funds 2024 £	Restricted funds 2024 £	Total funds 2024 £
Miscellaneous income	14,059	-	14,059
Surplus on disposal of fixed assets	-	20,355	20,355
	<u>14,059</u>	<u>20,355</u>	<u>34,414</u>

	Unrestricted funds 2023 £	Total funds 2023 £
Miscellaneous income	6,795	6,795

8. Expenditure on raising funds

Direct fundraising costs

	Unrestricted funds 2024 £	Total funds 2024 £	Total funds 2023 £
Café and bar	17,363	17,363	-
Investment management fees	6,733	6,733	-
	<u>24,096</u>	<u>24,096</u>	<u>-</u>

The expenditure in 2023 was wholly attributable to unrestricted funds.

9. Analysis of expenditure on charitable activities

Summary by fund type

	Unrestricted funds 2024 £	Restricted funds 2024 £	Total funds 2024 £
Domiciliary care, supported living, wellbeing and other care services	8,291,928	629,939	8,921,867
	<u>8,291,928</u>	<u>629,939</u>	<u>8,921,867</u>
	Unrestricted funds 2023 £	Restricted funds 2023 £	Total funds 2023 £
Domiciliary care, supported living, wellbeing and other care services	7,791,119	561,348	8,352,467
	<u>7,791,119</u>	<u>561,348</u>	<u>8,352,467</u>

10. Analysis of expenditure by activities

	Activities undertaken directly 2024 £	Support costs 2024 £	Total funds 2024 £
Domiciliary care, supported living, wellbeing and other care services	7,951,745	970,122	8,921,867

	Activities undertaken directly 2023 £	Support costs 2023 £	Total funds 2023 £
Domiciliary care, supported living, wellbeing and other care services	7,296,923	1,055,544	8,352,467

Analysis of direct costs

	Total funds 2024 £	Total funds 2023 £
Staff costs	7,353,031	6,703,921
Depreciation	166,156	167,236
Staff training, recruitment and other staff costs	60,659	72,814
Subcontracting and agency	258,570	226,028
Service delivery	113,329	126,924
	7,951,745	7,296,923

10. Analysis of expenditure by activities (continued)

Analysis of support costs

	Total funds 2024 £	Total funds 2023 £
Printing, postage, stationery and equipment	106,577	99,332
Cleaning costs	54,345	45,153
IT equipment, software and maintenance costs	208,809	167,487
Repairs and renewals	100,008	98,098
Utility costs	76,741	95,556
Rent and rates	230,209	301,210
Licences and subscriptions	27,054	20,709
Legal and professional	66,391	36,917
Insurance	55,943	60,572
Bank charges	4,542	5,068
Advertising	4,496	8,475
Governance costs	35,007	116,967
	<u>970,122</u>	<u>1,055,544</u>

11. Net income for the year

Net income for the Group is stated after charging:

	2024 £	2023 £
Rentals on operating leases	212,281	278,883
Auditor's remuneration	27,600	26,352
Depreciation of tangible fixed assets	166,156	167,236
	<u>406,037</u>	<u>472,471</u>

Midland Mencap**(A company limited by guarantee)****Notes to the financial statements****For the year ended 31 March 2024****12. Staff costs**

	Group 2024	Group 2023	Charity 2024	Charity 2023
	£	£	£	£
Wages and salaries	6,734,774	6,142,438	6,419,355	5,566,170
Social security costs	492,521	449,365	468,256	412,081
Pension costs	125,736	112,118	120,278	102,967
	7,353,031	6,703,921	7,007,889	6,081,218

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

	Group 2024	Group 2023	Charity 2024	Charity 2023
	No.	No.	No.	No.
Management	20	15	20	15
Operational	297	351	267	296
Administration	28	17	28	17
	345	383	315	328

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

	Group 2024	Group 2023
	No.	No.
In the band £60,001 - £70,000	-	1
In the band £80,001 - £90,000	-	1
In the band £90,001 - £100,000	2	-
In the band £100,001 - £110,000	-	1

The key management personnel of the charity consists of the trustees and the senior management team. The total amount of employee benefits received by key management personnel is £400,828 (2023 - £469,362).

13. Trustees' remuneration and expenses

During the year, no Trustees received any remuneration or other benefits (2023 - £NIL).

During the year ended 31 March 2024, travel expenses totalling £27 were reimbursed to 1 Trustee (2023 - £277).

Notes to the financial statements

For the year ended 31 March 2024

14. Tangible fixed assets

Group

	Freehold property £	Leasehold property £	Office equipment £	Fixtures and fittings £	Motor vehicles £	Total £
Cost or valuation						
At 1 April 2023	6,062,397	659,341	255,639	346,538	40,889	7,364,804
Additions	-	24,589	8,936	1,440	-	34,965
Disposals	(250,000)	-	-	-	-	(250,000)
At 31 March 2024	5,812,397	683,930	264,575	347,978	40,889	7,149,769
Depreciation						
At 1 April 2023	306,656	597,323	228,003	314,069	33,849	1,479,900
Charge for the year	120,831	12,386	16,324	11,933	4,683	166,157
On disposals	(24,583)	-	-	-	-	(24,583)
At 31 March 2024	402,904	609,709	244,327	326,002	38,532	1,621,474
Net book value						
At 31 March 2024	5,409,493	74,221	20,248	21,976	2,357	5,528,295
At 31 March 2023	5,755,741	62,018	27,636	32,469	7,040	5,884,904

Freehold property includes two care homes, 4 Greswolde Park Road and 7 Silver Birch Road. These properties were revalued in August 2019 at £350,000 each by an independent property services and estate agency company based on open market value.

14. Tangible fixed assets (continued)

Charity

	Freehold property £	Leasehold property £	Office equipment £	Fixtures and fittings £	Motor vehicles £	Total £
Cost or valuation						
At 1 April 2023	5,112,397	659,341	251,580	344,888	40,889	6,409,095
Additions	-	24,589	8,936	1,440	-	34,965
At 31 March 2024	<u>5,112,397</u>	<u>683,930</u>	<u>260,516</u>	<u>346,328</u>	<u>40,889</u>	<u>6,444,060</u>
Depreciation						
At 1 April 2023	230,657	597,323	224,305	312,416	33,849	1,398,550
Charge for the year	102,247	12,386	15,965	11,933	4,683	147,214
At 31 March 2024	<u>332,904</u>	<u>609,709</u>	<u>240,270</u>	<u>324,349</u>	<u>38,532</u>	<u>1,545,764</u>
Net book value						
At 31 March 2024	<u>4,779,493</u>	<u>74,221</u>	<u>20,246</u>	<u>21,979</u>	<u>2,357</u>	<u>4,898,296</u>
At 31 March 2023	<u>4,881,740</u>	<u>62,018</u>	<u>27,275</u>	<u>32,472</u>	<u>7,040</u>	<u>5,010,545</u>

Freehold property includes £375,257 for the cost of land, which is not depreciated.

15. Fixed asset investments

Group and Charity	Listed investments £	Cash in portfolio £	Total £
Market value			
At 1 April 2023	917,066	4,775	921,841
Additions	135,951	(135,951)	-
Disposals	(129,721)	125,270	(4,451)
Revaluations	103,633	-	103,633
Income net of fees	-	12,135	12,135
At 31 March 2024	<u>1,026,929</u>	<u>6,229</u>	<u>1,033,158</u>

The historical cost of investments at 31 March 2024 was £1,002,301 (2023 - £870,117).

16. Debtors

	Group 2024 £	Group 2023 £	Charity 2024 £	Charity 2023 £
Trade debtors	799,507	942,456	740,374	808,435
Amounts owed by group undertakings	-	-	5,272	-
Other debtors	25,309	-	23,147	-
Prepayments and accrued income	577,023	438,363	543,346	394,972
	<u>1,401,839</u>	<u>1,380,819</u>	<u>1,312,139</u>	<u>1,203,407</u>

17. Current asset investments

	Group 2024 £	Group 2023 £	Charity 2024 £	Charity 2023 £
Short-term deposits	5,125,000	900,000	5,125,000	900,000

18. Creditors: Amounts falling due within one year

	Group 2024 £	Group 2023 £	Charity 2024 £	Charity 2023 £
Trade creditors	82,123	-	81,532	119,377
Other taxation and social security	120,533	111,352	112,433	102,820
Obligations under finance leases	7,205	-	7,205	-
Other creditors	586,729	623,560	568,965	442,977
Accruals and deferred income	84,606	298,272	75,211	284,624
	881,196	1,033,184	845,346	949,798

Obligations under finance lease are secured over the assets to which they relate.

	Group 2024 £	Group 2023 £	Charity 2024 £	Charity 2023 £
Deferred income at 1 April 2023	212,273	20,110	212,273	20,110
Resources deferred during the year	-	212,273	-	212,273
Amounts released from previous periods	(212,273)	(20,110)	(212,273)	(20,110)
	-	212,273	-	212,273

Deferred income relates to grant/contract funding received in advance for the delivery of projects and services in the following year.

19. Statement of funds

Statement of funds - current year

	Balance at 1 April 2023 £	Income £	Expenditure £	Transfers in/(out) £	Gains/ (Losses) £	Balance at 31 March 2024 £
Unrestricted funds						
Designated funds						
Tangible fixed assets	5,010,904	-	(147,214)	34,606	-	4,898,296
Domcare services	800,000	-	-	-	-	800,000
IT system investment	400,000	-	-	-	-	400,000
Community Hub project	500,000	-	-	-	-	500,000
Business development	500,000	-	-	-	-	500,000
	7,210,904	-	(147,214)	34,606	-	7,098,296
General funds						
General Funds	5,092,967	10,340,286	(8,168,810)	211,165	99,182	7,574,790
Total Unrestricted funds	12,303,871	10,340,286	(8,316,024)	245,771	99,182	14,673,086
Restricted funds						
Community Hub	-	100,000	(100,000)	-	-	-
Walsall Hub	-	78,529	(78,529)	-	-	-
Walsall Groups	-	7,000	(7,000)	-	-	-
CYP Commission	-	241,185	(241,185)	-	-	-
Park Ride	-	33,103	(33,103)	-	-	-
Birmingham Multi-Care	-	151,538	(151,538)	-	-	-
Freehold property - BMC	874,000	20,355	(18,584)	(245,771)	-	630,000
Oliver McGowan	-	23,000	-	-	-	23,000
	874,000	654,710	(629,939)	(245,771)	-	653,000
Total of funds	13,177,871	10,994,996	(8,945,963)	-	99,182	15,326,086

19. Statement of funds (continued)

Designated funds

The £2,200,000 reserves are designated to Domiciliary care services (£800k), IT system investment (£400k), Community Hub project (£500k) and new business development (£500k).

Restricted funds

The Community Hub – a service for adults with learning disability, offering meaningful daytime opportunities and activities such as education, training and leisure. Staff consult individuals, their carers and families, to tailor services to suit their needs and wishes, arranging support and activities, and signposting to other relevant agents if necessary. 'You Choose' service is part of the Community Hub grant that gives information and advice, using person-centred approaches, to young people with learning disabilities in the transition period of moving from education to adult life. Staff helps the service-user to plan and organise their care support, exploring their options, in a culturally sensitive way to meet their everyday needs, and give practical advice in managing their finances.

The Walsall Hub – a service for all people with a learning disability, offering opportunities and activities such as education, leisure and training. The services are provided in a bespoke setting in Walsall town centre. Walsall City Council provides funding towards the building and clubs.

Walsall Groups – a service facilitating social groups for people with a learning disability funded by Walsall Council.

Children's Commissioned Services – offer short breaks usually in 2 hour blocks to family carers. This gives them some free time to pursue their own interests, secure in the knowledge that their dependent is professionally supported.

Park Ride – a Sports England funded project that facilitates an inclusive family cycling project that provides the whole family, regardless of age or need with the opportunity to enjoy the great outdoors together by using a range of adapted and mainstream bikes.

Birmingham Multi-Care Restricted income – Birmingham City Council funds the two respite care homes and the day centre to provide respite care and day time activities for Birmingham Multi-Care's citizens and carers.

Freehold property BMC represents the value of the properties held in the subsidiary, Birmingham Multi-Care Support Services Limited.

Oliver McGowan - funding to enable the delivery of the Oliver McGowan Mandatory Training (OMMT).

Transfers between funds

The transfer of £245,771 in the year from restricted funds to unrestricted funds represents the sale of 7 Braithwaite Road; the realisation of a cash return on the sale of the freehold property and therefore the conversion of restricted capital funds into unrestricted funds.

Midland Mencap

(A company limited by guarantee)

Notes to the financial statements

For the year ended 31 March 2024

19. Statement of funds (continued)

Statement of funds - prior year

	Balance at 1 April 2022 £	Income £	Expenditure £	Transfers in/(out) £	Gains/ (Losses) £	Balance at 31 March 2023 £
Unrestricted funds						
Designated funds						
Tangible fixed assets	2,620,702	-	(148,236)	2,538,438	-	5,010,904
Domcare services	800,000	-	-	-	-	800,000
IT system investment	400,000	-	-	-	-	400,000
Community Hub project	500,000	-	-	-	-	500,000
Business development	500,000	-	-	-	-	500,000
	<u>4,820,702</u>	<u>-</u>	<u>(148,236)</u>	<u>2,538,438</u>	<u>-</u>	<u>7,210,904</u>
General funds						
General Funds	6,258,087	9,066,163	(7,642,883)	(2,535,910)	(52,490)	5,092,967
Total Unrestricted funds	<u>11,078,789</u>	<u>9,066,163</u>	<u>(7,791,119)</u>	<u>2,528</u>	<u>(52,490)</u>	<u>12,303,871</u>
Restricted funds						
Community Hub	-	100,000	(100,000)	-	-	-
Walsall Hub	-	42,084	(42,084)	-	-	-
Walsall Groups	-	7,000	(7,000)	-	-	-
CYP Commission	-	233,978	(233,978)	-	-	-
Birmingham Multi-Care	-	159,286	(159,286)	-	-	-
Freehold property - BMC	893,000	-	(19,000)	-	-	874,000
	<u>893,000</u>	<u>542,348</u>	<u>(561,348)</u>	<u>-</u>	<u>-</u>	<u>874,000</u>
Total of funds	<u>11,971,789</u>	<u>9,608,511</u>	<u>(8,352,467)</u>	<u>2,528</u>	<u>(52,490)</u>	<u>13,177,871</u>

20. Analysis of net assets between funds

Analysis of net assets between funds - current year

	Unrestricted funds 2024 £	Restricted funds 2024 £	Total funds 2024 £
Tangible fixed assets	4,898,295	630,000	5,528,295
Fixed asset investments	1,033,158	-	1,033,158
Current assets	9,622,829	23,000	9,645,829
Creditors due within one year	(881,196)	-	(881,196)
Total	14,673,086	653,000	15,326,086

Analysis of net assets between funds - prior year

	Unrestricted funds 2023 £	Restricted funds 2023 £	Total funds 2023 £
Tangible fixed assets	5,010,904	874,000	5,884,904
Fixed asset investments	921,841	-	921,841
Current assets	7,404,310	-	7,404,310
Creditors due within one year	(1,033,184)	-	(1,033,184)
Total	12,303,871	874,000	13,177,871

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

	Group 2024 £	Group 2023 £
Net income for the period (as per Statement of Financial Activities)	2,148,215	1,203,554
Adjustments for:		
Depreciation charges	166,156	167,236
(Gains)/losses on investments	(99,182)	52,490
Dividends, interests and rents from investments	(160,875)	(109,897)
Surplus on the sale of fixed assets	(20,355)	-
Increase in debtors	(21,020)	(291,674)
(Decrease)/increase in creditors	(151,987)	232,816
Net cash provided by operating activities	1,860,952	1,254,525

22. Analysis of cash and cash equivalents

	Group 2024 £	Group 2023 £
Cash at bank	3,117,803	5,122,304
Short term deposits	5,125,000	900,000
Total cash and cash equivalents	8,242,803	6,022,304

23. Analysis of changes in net debt

	At 1 April 2023	Cash flows	New finance leases	At 31 March 2024
	£	£	£	£
Cash at bank and in hand	5,122,304	(2,004,501)	-	3,117,803
Finance leases	-	-	(7,205)	(7,205)
Short term deposits	900,000	4,225,000	-	5,125,000
	6,022,304	2,220,499	(7,205)	8,235,598

24. Capital commitments

	Group 2024	Group 2023	Charity 2024	Charity 2023
	£	£	£	£
Contracted for but not provided in these financial statements				
Acquisition of tangible fixed assets	383,368	-	383,368	-

25. Pension commitments

The group operates a defined contribution pension scheme. The assets of the scheme are held separately from those of the group in an independently administered fund.

The Charitable group contributes to group personal pension plans for certain employees. Midland Mencap continues to comply with Work Place Pensions law by making contributions to the new pension scheme for all eligible employees. All employees who qualify are automatically enrolled into the pension scheme. Those employees who are not automatically eligible are given the opportunity to opt into the pension scheme. The employer contribution is 3% in line with the Pension regulator requirements. The old pension scheme was closed to new entrants so it is set to remain stable or decrease as employees make career moves.

The pension cost charge represents contributions payable by the group to the fund and amounted to £125,736 (2023 - £112,118). Contributions totalling £24,405 (2023 - £2,474) were payable to the fund at the balance sheet date and are included in other creditors.

Notes to the financial statements

For the year ended 31 March 2024

26. Operating lease commitments

At 31 March 2024 the Group and the Charitable Company had commitments to make future minimum lease payments under non-cancellable operating leases as follows:

	Group	As restated Group	Charity	As restated Charity
	2024	2023	2024	2023
	£	£	£	£
Not later than 1 year	171,535	195,130	171,535	195,130
Later than 1 year and not later than 5 years	98,188	269,723	98,188	269,723
	269,723	464,853	269,723	464,853

27. Related party transactions

Birmingham Multi-Care Support Services Limited is a wholly owned subsidiary of Midland Mencap. For the year ended 31 March 2024, Midland Mencap provided all functions of financial services, strategic and operational management. Amounts charged to Birmingham Multi-Care Support Services Limited to cover these costs totalled £101,560 (2023 - £98,706). For the parent charitable company, the balance due from Birmingham Multi-Care Support Services Limited at the balance sheet date was £5,272 (2023 - £45,876).

Midland Mencap is a member of Forward Carers CIC and the CEO of Midland Mencap is a Board Director of the CIC and one of two subscribing members. The amount due to Midland Mencap at 31 March 2024 in respect of management charges was £13,240 (2023 - £31,151).

Midland Mencap is a member of Pinewood Maintenance Limited, an estate maintenance service responsible for the upkeep of the charity's registered office. During the year, Midland Mencap paid service charges of £26,496 to Pinewood Maintenance Limited and received an annual management charge of £7,875.

Details of key management personnel remuneration can be found in note 12.

28. Post balance sheet events

Since the year end, the Trustees decided to hive up all of the residual activities and funds of Birmingham Multi-Care Support Services Limited into Midland Mencap, following an orderly wind up of the subsidiary charity.

29. Controlling party

The ultimate controlling party of the Group is the Charity's Board of Trustees.

Notes to the financial statements
For the year ended 31 March 2024

30. Principal subsidiaries

The following was a subsidiary undertaking of the Charity:

Name	Company number	Principal activity
Birmingham Multi-Care Support Services Limited	02399075	Provision of care services to people in Birmingham who have multiple disabilities and respite to their parents and carers

The financial results of the subsidiary undertaking for the year were:

Name	Income	Expenditure	Net assets
	2024	2024	31 March
	£	£	2024
			£
Birmingham Multi-Care Support Services Limited	580,242	(521,869)	1,302,373

The subsidiary undertaking has the same registered office address as the parent Charity and is included in this consolidation.