

WATFORD AND DISTRICT MENCAP SOCIETY

Registered Company No. 2636705

Registered Charity No. 1004431

REPORT AND ACCOUNTS

FOR THE YEAR ENDED

31ST MARCH 2009

Watford and District Mencap Society

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Watford and District Mencap Society

Council of Management

Council of Management

Mr D Eungblut (Chairman)
Mr A Loose (Vice Chairman)
Mrs P Robertson
Mr R Teague
Mrs K J Watts
Mrs L C Green
Mrs P Joy
Mr A Perahia

Director

Miss J Pattinson

Auditors

Kingston Smith LLP
105 St Peter's Street
St Albans, Hertfordshire
AL1 3EJ

Principal Bankers

NatWest
72 High Street
Watford
Herts

Registered Company Number : 2636705

Registered Charity Number: 1004431

Watford and District Mencap Society

Report of the Council of Management

Structure, Governance and Management

Governing Document

The organisation is a charitable company limited by guarantee, incorporated on 9th August 1991 and originally registered as a charity on 15th October 1991. The company was established under a Memorandum of Association which set out the object and powers of the charitable company and is governed under its Articles of Association. A revised Memorandum and Articles of Association were approved by the members at the Annual General Meeting (AGM) in 2005. A further amendment to the Articles was approved at the AGM in 2007. In the event of the company being wound up members are required to contribute an amount not exceeding £1.

Recruitment and appointment of Council of Management

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

Alf Loose and Russ Teague retired by rotation and were re-elected at the Annual General Meeting in 2008. A full list of members of the Council of Management who served during the year and up to the date of this report is set out on page 1. The board has identified the need to recruit additional trustees with skills in the areas of law, learning disability services and human resources. This is a project which will be undertaken in the coming year.

Mindful of the focus of the organisation's work on the needs of those with learning disabilities and their families, the Council of Management seeks to ensure that user and carer views are represented alongside wider business and organisational skills on the management committee. The development of an Involvement Group has been a big success during the year and two elected representatives from that group are co-opted members who attend Council of Management meetings to ensure that the views of the group are put forward and given due consideration. During the year the Involvement Group representatives were Sylvia Hatch and Clive Joll.

Trustee Induction and Training

In line with current best practice a trustee induction pack and programme are in place to ensure that all new trustees will be aware of their roles and responsibilities. This includes:

- Trustee's role and duties;
- Charity Commission publications;
- Memorandum, Articles, Strategic Review and Business Plan;
- Previous three years published accounts;
- Visit plan to all sites and services;
- Meetings with all senior management members.

Risk Management

The Council of Management has conducted a review of the major risks to which the charity is exposed. A risk register has been established to identify these risks and the systems or procedures in place as well as action to be taken to mitigate them. This is regularly updated, reviewed quarterly by the Finance & Audit Committee and is included in the annual Business Plan.

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

Watford and District Mencap Society

Report of the Council of Management (continued)

Organisational Structure

Watford Mencap has a Council of Management of up to 12 members who meet quarterly and are responsible for the strategic direction and policy of the charity. At 31st March 2009 the Council of Management had 8 full members and 2 co-opted members from a variety of backgrounds relevant to the work of the charity, including 2 service users and 3 carers.

Day to day responsibility for provision of the services is delegated to the Director who leads the senior management team. This team is responsible for ensuring that the charity delivers the services specified and that key performance indicators are met. Monitoring of operational performance is undertaken by the sub-committees (some of which have specialist co-opted members): Finance & Audit; Resource Management; Fundraising & External Relations and Operations Management, which meet quarterly and report to the Council of Management.

Royal Mencap

Watford Mencap is an independent charity, but it is affiliated to the umbrella organisation Royal Mencap. Watford Mencap pays an annual affiliation fee for the right to use the Mencap name and must also comply with the requirements of the Royal Mencap Membership Agreement which sets out minimum standards in terms of policies and procedures for organisations using the Mencap name. There is no financial support from the national organisation, but it does have the power, under the Articles of Association, to dismiss trustees who bring the Mencap name into disrepute.

Objectives and Activities

Objects and Strategy

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

- The relief of people with a learning disability in particular by the provision of help and support for them and their families, dependants and carers, and to prevent or alleviate learning disabilities for the public benefit by education, research and life enhancing medical intervention.
- The provision or assistance in the provision of facilities for the recreation or other leisure time occupation for people who have need thereof by reason of learning disability with the object of improving their conditions of life.

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

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

Activities

Watford Mencap currently provides a wide range of services including:

- Residential – four full-care residential homes in Oxhey, South Oxhey, Rickmansworth and Chorleywood;
- Supported living – three shared properties whose tenants are supported by Society staff;
- Leisure – leisure activities supported by volunteers, activity schemes for college holidays, supported holidays abroad and in the UK;
- Children's – based at the Lemarie Centre in Watford, after-school groups and youth club as well as holiday playschemes;
- Community – domiciliary care, community support and day activity schemes;
- Advice and advocacy - services for people with learning disabilities, their families and carers;
- Watford and Bushey charity shops – raising funds and providing work experience for people with learning disabilities;
- The first (and, so far, only) individual support fund agreement established in Hertfordshire, in which Watford Mencap provides support to two individuals who live independently, manage their own budget and commission their own services.

Watford and District Mencap Society

Report of the Council of Management (continued)

The services are supported by a Funding and Business Development Department, an Internal Services team, Human Resources and a Finance Department.

These services are provided to just under 500 service users in the Watford, Three Rivers and Hertsmere areas.

Staff and Volunteers

Watford Mencap benefits greatly from the commitment of its staff, who numbered 105 at year end. It also benefits from the support of a number of volunteers in the head office, in the shops, in fundraising activities and in the Children's Centre. The contribution of the 144 volunteers who worked with the society over the year is estimated to be approximately 15,662 hours (which represents the equivalent of approximately 9 full-time staff) and their contribution is gratefully acknowledged.

Achievements and Performance

Review of 2008-09 Objectives

These were the objectives set out for 2008-09 in the trustees' report last year and in the Watford Mencap Business Plan. Performance against each objective is reported on by the Director to the Council of Management at the quarterly meetings.

Personalisation of Watford Mencap services

- Recruit personalisation project manager
- Complete person-centred approaches and values training with residential staff
- Produce personalisation strategy
- Implement new residents' finance policy and procedure
- Increase understanding of Mental Capacity Act
- Design and implement an outcomes-focused quality assurance system
- Increase accessibility of services to people with profound and multiple learning
- Adapt existing services to respond to individual budgets and self-directed support

Progress

- *Development manager for personalisation and individualised funding commenced in post September 2008 – New Solutions project now operating*
- *Draft personalisation strategy produced*
- *Personalisation training completed with senior management and management teams*
- *£68,000 funding granted from the Workforce Development Group to roll out personalisation training to Hertfordshire social care workforce*
- *First year review of Little Martins and increased funding to meet changing needs*
- *New residents' finance policy and procedure in place, fully implemented in Hillside with plans to roll out to other residential homes in early 2009*
- *Staff training completed on Mental Capacity Act and Deprivation of Liberty, with some staff also completing a train the trainer course in this area.*
- *Restructured the self-advocacy groups and gained additional funding to set up a new group for people with higher support needs*

Review of residential homes and supported living service

- Review residential and Supporting People contracts with Hertfordshire County Council (HCC) and review use of properties based on outcome
- Continue to improve physical environment of projects
- Implement new management structure for Supported Living projects

Watford and District Mencap Society

Report of the Council of Management (continued)

Progress

- Reviewed all residential contracts and gained agreement from HCC to restructure Hillside and to uplift current rent to closer to the market rate
- Gained agreement on additional Thorpedale funding to meet ageing residents' changing needs
- Berrywood now operating as a home for younger people
- Gained 3 star excellent rating for Homeoaks and good ratings for other residential projects
- Renegotiated Supporting People 3-5 year contract with general uplift and additional funding to meet increased insurance costs resulting from new HCC requirements
- Gained £22,000 additional funding for residential home maintenance and repair from HCC to help meet costs of work highlighted by surveyors reports
- Continued to improve physical environment of homes – John Lewis donated kitchen and Three Rivers District Council funded adapted bathroom installed at Homeoaks
- Implemented a new management structure for Supported Living projects

Developing communication

- Increase senior management presence in all projects
- Complete analysis of Vizual to establish if it can be used as a client information system
- Develop accessible resources – project IT and website
- Complete membership review and create members' area on website
- Develop a campaigning strategy
- Implement Quickplan domiciliary care package
- Continue staff IT training and increase e-mail access

Progress

- Increased senior management presence in all projects across the organisation with regular monthly visits and recently introduced quarterly trustee project visits
- Explored possible client information systems with support of a project volunteer – developed a project outline and identified a possible software provider
- Gained funding to replace 50% office IT and to introduce IT to children and young people
- Set up a website development group including people with learning disabilities to update and review our website, developed Watford Observer website
- Purchased and implemented Quick Plan domiciliary care package
- Introduced IT and e-mail to all project based permanent staff, continued weekly sessions from volunteer IT trainer and secured £5,000 for further staff IT training
- Staff forum co-ordinated and facilitated staff development day for 85 staff and trustees

Develop a skilled workforce of staff, volunteers and trustees

- Complete roll-out of new appraisal structure, salary and benefits review
- Introduce systems to enable staff to work across the organisation
- Continue to address diversity issues
- Roll out new volunteer handbook – train managers and volunteers in use
- Trustee development – recruitment, team-building, strengthen links with staff, establish new Fundraising & External Relations Committee
- Establish long-term human resources structure and funding source
- Support User Representatives and trustees to develop accessible trustee meetings

Watford and District Mencap Society

Report of the Council of Management (continued)

Progress

- Year one of new appraisal process virtually complete
- New salary scale and benefits review – funding acquired and review implemented
- Creation of secondment, short term role changes and trainee posts to enable staff to begin to experience working within different parts of the organisation
- 6 month secondee for fundraising team from John Lewis
- Creation of new volunteer handbook and volunteering dvd
- Facilitated trustee sessions held on making meetings more accessible to all, new Fundraising and External Relations Committee in place, quarterly trustee project visits established and trustees present at development day and staff forum
- £55,000 workforce development funding granted to fund Watford Mencap 2009-10 training and development plan

Sustainability

- Improve financial viability of services
- Achieve budgeted surplus
- Achieve fundraising target

Progress

- Considerable increase in spot and private purchase of Community Support hours
- 1 year extension of playscheme contract
- 2.25 year 513 Prevention Fund extension in Saturday club funding
- 2008-9 fundraising target achieved
- 2008-9 budgeted surplus achieved

Additional Areas

- Implement findings of office premises review
- Implement findings of transport review
- Complete disaster recovery plan
- Renew Bushey shop lease
- Evaluate finance package and resources
- Expand & develop range of income sources eg eBay

Progress

- Negotiation has begun on renewal of Langwood House lease, Bushey shop lease has been renewed for a further 5 years
- Disaster recovery plan has been written and now needs testing and IT changes put in place at the Children's Centre
- Restructured finance team
- Completed transport review and will purchase vehicle once funds allow
- Generated £3,600 additional income from eBay sales and a further £2,000 from new initiatives – changed role of Internal Services Manager to incorporate management of shops

Key Achievements 2008-09

While progress has been made on many of the objectives set for the year, there are a number of key areas where what has been achieved will contribute significantly to the future development of the society and the services it provides. The following represent the highlights of the year.

Inspections by outside assessment authorities have confirmed that the efforts being made to improve the quality of the work the society does are having an impact.

In all areas of the organisation there is increasing involvement and empowerment of people with learning disabilities.

The personalisation agenda is really starting to take hold and the path forward for the society in making its services truly person-centred is becoming clearer.

The partnership developed with John Lewis, as its charity of the year, was hugely successful for both organisations.

Watford and District Mencap Society

Report of the Council of Management (continued)

Staff and volunteer development made a big step forward with increased training, a new appraisal system, a development programme and further funding to build on the progress to date.

Successful contract negotiations in many areas of the society's work have put services on a more stable financial footing and will enable more secure planning for the future.

There is much more detail that could be given to demonstrate the significant progress being made, but there is not enough space. However, the trustees would like to acknowledge the very hard work of all the staff and volunteers which has resulted in tangible progress and which will enable the Society to meet the challenges of the future.

Financial Review

The organisation's financial position continued to improve in 2008-09 with continued tight budgetary control, the renegotiation of contracts and successful new funding applications. Key highlights were the commitment from the organisation's reserves to fund a development manager for individualised funding and personalisation, along with awards of £68,000 from the Hertfordshire Private and Voluntary Independent (PVI) Workforce Development Partnership for supporting the social care workforce to work in a more personalised way and £55,000 additional funding to support Watford Mencap's 2009-10 training and development plan.

The Society's financial position is reasonably satisfactory, with a surplus of £386,301 for 2008-09. Of this, a significant amount of £146,662 is already committed to specific projects in the coming year, while £239,639 can be transferred to reserves.

The financial outlook is very uncertain. The primary source of income, by way of contract and grant income is Hertfordshire County Council (75%). In the wake of the recent financial crisis we anticipate considerable pressure on local authority budgets and future levels of funding cannot be guaranteed. However, we strongly believe that the society provides excellent value for money and we will continue to seek a reasonable level of funding for the services it provides. Nevertheless, we are aware of the need to diversify sources of income and focus clearly on fundraising priorities.

As noted above, we have started to adapt to meet the challenge of individual service budgets and intend to maximise the potential of this new opportunity for the benefit of those whose interests we seek to serve. There will, however, be significantly more financial uncertainty attached to such services and we will have to find ways to mitigate that risk.

Fundraising

During the year, the Funding and Business Development Team comprised two fundraising staff, two charity shop managers, one deputy manager, three casual shop workers and fifty shop volunteers, the volunteer Editor of our In Touch newsletter, a full-time John Lewis secondee for 6 months and a volunteer communications specialist. Their wide-ranging remit included local authority, trust, community and corporate fundraising; events; charity shops; public relations and publications; and corporate and community partnerships.

Fundraising income (outside established contracts) was split as follows:

Local authorities	54%
Trusts	23%
Corporate	8%
Events	8%
Individuals	4%
Groups	3%

Hertfordshire County Council continued to be the single largest funder of our services through a variety of funding streams. We were pleased to renew our contract for the Saturday Club, providing a lifeline for carers and regular social life for their children; PVI Workforce Development agreed to fund a substantial training programme across our organisation; we were funded to pilot an Involving People partnership project and the Youth Opportunities Fund supported our Hand in Hand Youth Club. We also welcomed funding from Watford Borough Council and support in kind from Hertsmere and Three Rivers.

Highlights of our trust funding were grants from the Baily Thomas Charitable Fund, Garfield Weston Foundation for our children's Services and Hertfordshire Community Foundation for Leisure Together.

Watford and District Mencap Society

Report of the Council of Management (continued)

In 2008, John Lewis Watford chose Watford Mencap as its Charity of the Year. This raised awareness of learning disability among the 700 partners of the store, generated around £50,000 of support in cash or in kind (including two team challenges and two major fundraising events) and resulted in the secondment of a partner who subsequently joined our staff. We also strengthened partnerships with other local organisations and firms.

We organised or supported six major events during the year, and a number of community and school groups held fundraising events for us. A particular focus has been to raise awareness through integration of people with a learning disability through activities and work experience with the wider community.

Monitoring this activity to ensure maximum cost-effectiveness, we estimate that 56% of the time and expenditure in this area is directly related to fundraising activity and 25% to communications. The balance of 19% was spent on management and administrative functions, which included management of the two charity shops, one of which has a strong focus on employing volunteers with learning disabilities.

During the year management of our charity shops and development of other opportunities such as eBay has moved within the organisation. The proportion of the fundraising department's time spent on the various activities will therefore change in 2009-10.

We have already experienced a decrease in corporate and events fundraising income due to the recession. We expect a squeeze on local authority funding in 2010-11. However, the need for our services is ever greater and we shall seek to maintain our partnerships and awareness of our work, in readiness for an economic upturn. In 2009-10 the department will focus on trust and local authority fundraising, seeking to secure the operations of historically under-funded services, in particular children's Services and Leisure Together. Subject to resources, we wish to develop the role of volunteers in fundraising and to promote legacy giving.

Investment Policy

Aside from retaining a prudent amount in reserves each year, most of the charity's funds are spent in the provision of services. The relatively small amount on hand at any given time is invested with NatWest and CAF Bank earning 3.7%. In 2008-09 this produced £16,436 in investment income for the charity. In the light of the financial crisis, the Society will reconsider its investment policy during the coming year and diversify its savings to minimise risk.

Reserves Policy

The Society had reserves of £1,223,069 as at 31st March 2009 of which £142,269 was restricted, £332,996 was designated and the balance of £747,804 (which includes £494,860 of fixed assets) represents the general funds.

The organisation's need for reserves has been established by the Council of Management in the light of the main risks. The policy is that the unrestricted funds not committed or invested in tangible fixed assets should be three month's operational expenditure, based on salary costs.

Budgeted salary expenditure for 2009-10 is £1.9m and the liquid unrestricted reserves should therefore be £476,000. The strategy is to continue to build reserves through operating surpluses and to achieve the required level over a number of years.

Future Plans

Taking into account all strengths, weaknesses, opportunities and threats, the society has developed its business plan outlining its priorities for 2009-10. The priorities for the year are to secure reasonable ongoing funding for the residential services, while seeking to develop further more personalised services, perhaps through individual service agreements. This is a period when the consolidation of recent years should bear fruit in the ability to develop our services for the future.

Objectives for 2009-10 as set out in the Business Plan are:

Brought forward objectives – Society

- Renew office lease
- Implement disaster recovery plan
- Replace 50% of office IT
- Continue website development
- Review finance package

Watford and District Mencap Society

Report of the Council of Management (continued)

Brought forward objectives – Projects

- Introduce IT to Children's Centre
- Purchase replacement vehicle for Thorpedale
- Undertake significant residential maintenance
- Take part in "Raising Your Game Project" with Royal Mencap

Brought forward objectives – Staff and volunteers

- Consult on changes to sickness policy
- Operationally embed performance management policies and procedures
- Implement volunteer handbook
- Staff development day 2009

Personalisation of services

- Implement personalisation strategy
- Complete management training and set up "Change Group"
- Design and implement an outcomes-focused quality assurance system
- Remodel services in residential services
- Complete roll-out of residents' finance procedure
- Devise and deliver workforce structure, development, training and recruitment plans

Diversity

- Roll out diversity training across organisation
- Join Three Rivers Equality Forum, complete equality audit and implement recommendations
- Reach out to new community groups for potential members, volunteers and trustees (with skills identified as required)
- Increase involvement and consultation of people with learning disabilities and carers. Develop small working groups linked to governance
- Create diversity champion within Change Group
- Explore possible funding sources for diversity project

Sustainability, savings and efficiency

- Fill vacant posts, establish casual bank and reduce agency expenditure
- Tender for new playscheme contract
- Submit "Aiming High" bid
- Generate new service income to cover funding deficit on personalisation post
- Implement Community Services electronic monitoring

All of the above objectives are supported by a detailed action plan in which responsibility for completion is assigned. Recognising that achievement of objectives is a team effort, the new performance appraisal system incorporates the society's aims and staff are appraised on their contribution to moving the society forward.

Responsibilities of the Council of Management

Company law requires the directors to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the charitable company at the balance sheet date and of its incoming resources and application of resources, including income and expenditure, for the financial year. In preparing those financial statements, the directors should follow best practice and:

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

The directors are responsible for maintaining proper accounting records which disclose with reasonable accuracy at any time the financial position of the charitable company and to enable them to ensure that the financial statements comply with the Companies Act 1985. The directors are also responsible for safeguarding the assets of the charitable company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Watford and District Mencap Society

Report of the Council of Management (continued)

In accordance with company law, as the company's directors, we certify that:

- so far as we are aware, there is no relevant audit information of which the company's auditors are unaware; and
- as the directors of the company we have taken all the steps that we ought to have taken in order to make ourselves aware of any relevant audit information and to establish that the charity's auditors are aware of that information.

Auditors

Kingston Smith LLP were appointed as the company's auditors in 2005-06 and have expressed their willingness to continue in that capacity.

This report has been prepared in accordance with the Statement of Recommended Practice: Accounting and Reporting by Charities (March 2005).

Approved by the Council of Management on 21st September 2009 and signed on its behalf by:

Don Eungblut (Chair)

Independent Auditors' Report to Members of the Watford and District Mencap Society

We have audited the financial statements of Watford and District Mencap Society for the year ended 31st March 2009 which comprise the Statement of Financial Activities, the Balance Sheet and the related notes. These financial statements have been prepared in accordance with the accounting policies set out therein.

This report is made solely to the charitable company's members, as a body, in accordance with Section 235 of the Companies Act 1985. Our audit work has been undertaken for no purpose other than to draw to the attention of the charitable company's members those matters which we are required to include in an auditor's report addressed to them. To the fullest extent permitted by law, we do not accept or assume responsibility to any party other than the charitable company and charitable company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Respective Responsibilities of Trustees and Auditors

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

Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and International Standards on Auditing (UK and Ireland).

We report to you our opinion as to whether the financial statements give a true and fair view and are properly prepared in accordance with the Companies Act 1985. We also report to you if, in our opinion, the Report of the Council of Management is not consistent with the financial statements, if the charitable company has not kept proper accounting records, if we have not received all the information and explanations we require for our audit, or if information specified by law regarding remuneration of the members of the Council of Management and other transactions is not disclosed.

We read the Report of the Council of Management and consider the implications for our report if we become aware of any apparent misstatements within it.

Basis of Audit Opinion

We conducted our audit in accordance with International Standards on Auditing (UK and Ireland) issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the financial statements. It also includes an assessment of the significant estimates and judgements made by the Council of Management in the preparation of the financial statements, and of whether the accounting policies are appropriate to the charitable company's circumstances, consistently applied and adequately disclosed.

We planned and performed our audit so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or other irregularity or error. In forming our opinion we also evaluated the overall adequacy of the presentation of information in the financial statements.

Opinion

In our opinion the financial statements:

- give a true and fair view, in accordance with the United Kingdom Generally Accepted Accounting Practice, of the state of the charitable company's affairs as at 31st March 2009 and of its incoming resources and application of resources, including the income and expenditure of the charitable company for the year then ended; and
- have been properly prepared in accordance with the Companies Act 1985.

105 St Peter's Street
St Albans
Hertfordshire AL1 3EJ

Kingston Smith LLP
Chartered Accountants
and Registered Auditors

DATE: 21 September 2009

Watford and District Mencap Society
Statement of Financial Activities
(including Income and Expenditure Account)
For the year ended 31st March 2009

	Note	Unrestricted Funds £	Restricted Funds £	Total 2009 £	Total 2008 £
Incoming Resources	2				
Incoming Resources from Generated Funds					
Voluntary income					
Donations, legacies and similar income		123,838		123,838	73,812
Activities for generating funds					
Shop income		117,774		117,774	123,679
Other fundraising activities		21,973		21,973	40,047
Investment income	6	16,436		16,436	17,371
Incoming Resources from Charitable Activities					
From public authorities		1,468,705	397,965	1,866,670	1,336,491
Grants		300	45,419	45,719	188,315
Rental income		219,380		219,380	180,069
Fees for using facilities and services		73,978		73,978	42,164
Other Incoming Resources		5,193		5,193	4,582
Total Incoming Resources		<u>2,047,577</u>	<u>443,384</u>	<u>2,490,961</u>	<u>2,006,530</u>
Resources Expended					
Cost of generating funds					
Cost of generating voluntary income					
Other fundraising activities		59,396		59,396	54,262
Fundraising trading: cost of goods sold and other costs					
Shop costs		91,139		91,139	87,199
Charitable Activities					
Residential services		1,281,567	100,667	1,382,234	1,266,208
Community services		254,596	110,943	365,539	321,961
Childrens services		52,610	129,063	181,673	157,190
Rental costs		6,770		6,770	6,670
Governance costs		17,909		17,909	17,317
Total Resources Expended	4	<u>1,763,987</u>	<u>340,673</u>	<u>2,104,660</u>	<u>1,910,807</u>
Net Income	3	283,590	102,711	386,301	95,723
Balance brought forward at 1st April 2008		<u>797,210</u>	<u>39,558</u>	<u>836,768</u>	<u>741,045</u>
Balance carried forward at 31st March 2009		<u><u>1,080,800</u></u>	<u><u>142,269</u></u>	<u><u>1,223,069</u></u>	<u><u>836,768</u></u>

Continuing Operations

None of the Company's activities were acquired or discontinued during the above two financial years.

Total Recognised Gains and Losses

The Company has no recognised gains and losses other than the net movement in funds for the above two financial years.

The accompanying notes form part of the financial statements.

Watford and District Mencap Society

Balance Sheet at 31st March 2009

	Note	2009 £	2009 £	2008 £	2008 £
Fixed Assets					
Tangible assets	8		494,860		497,659
Current Assets					
Debtors	9	115,769		66,437	
Cash at bank and in hand		733,022		451,505	
Cash held for Little Martins		64,055		37,387	
		912,846		555,329	
Creditors: Amounts falling due within one year	10	(144,138)		(152,602)	
Net Current Assets			768,708		402,727
Total Assets less Current Liabilities			1,263,568		900,386
Creditors: Amounts falling due after more than one year	11		(40,499)		(63,618)
Net Assets			1,223,069		836,768
 Represented by:					
Unrestricted Funds					
- General	12		747,804		578,446
- Designated	12		332,996		218,764
Restricted Funds	13		142,269		39,558
			1,223,069		836,768

These financial statements have been

Approved by the Council of Management on 21 September 2009
and signed on its behalf by:

Don Eungblut Chairman

The accompanying notes form part of the financial statements.

Watford and District Mencap Society

Notes to the Accounts

For the year ended 31st March 2009

1 Accounting Policies

The following notes outline the main accounting policies of the Company which have been used consistently in preparing these accounts.

(a) Basis of Accounting

These accounts have been prepared under the Historical Cost Convention and in accordance with the Statement of Recommended Practice: Accounting and Reporting by Charities (March 2005), applicable UK Accounting Standards and The Charities Act 1993.

The accounts include the activities of Watford and District Mencap Society.

(b) Depreciation

All assets costing more than £1,000 are capitalised at cost, except for computer equipment which is written off in full in the year of acquisition.

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

Freehold Property	Nil
Fixtures and Fittings	25% Reducing balance basis
Motor Vehicles	25% Reducing balance basis

An impairment review was carried out during the year which indicated that the freehold property is maintained to such a standard that it is considered that its estimated residual value is not less than its cost and as such no depreciation has been charged.

(c) Incoming Resources

All incoming resources are recognised in the period in which they are receivable which is when the charity becomes entitled to the resource.

(d) Resources Expended

Expenditure is accounted for on an accruals basis and has been classified under headings that aggregate all costs related to the category. Costs are allocated between categories on a direct basis. Where costs are apportioned between these headings a consistent basis is used.

Governance costs are those incurred in connection with administration of the charity and compliance with constitutional and statutory requirements

(e) Pension Costs

The Company made contributions to a defined benefit pension scheme on behalf of its employees up to September 2001. No contributions have been made to the scheme since that time. See note 18 for further information regarding this scheme.

The Company now contributes to a defined contribution pension scheme. Contributions are charged to the income and expenditure account in the year in which they become payable.

(f) Gifts in Kind

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

(g) Funds

Unrestricted general - funds which can be used for any of the charitable activities.

Designated - funds that have been put aside at the discretion of the Council of Management for specific purposes.

Restricted - funds that are subject to conditions imposed by the donors.

Details of specific funds can be found in notes 12 and 13.

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

(h) Operating Leases

Operating leases are included in resources expended on a straight line basis over the term of the lease.

Watford and District Mencap Society
Notes to the Accounts
For the year ended 31st March 2009 (continued)

2 Incoming Resources

Income receivable represents payments from central and local government and other income received in respect of the Society's residential homes and donations and other fundraising receipts and all arises in the United Kingdom.

3 Net Income

	2009	2008
	£	£
This is stated after charging:		
Auditors' remuneration		
- Audit	10,755	9,190
Depreciation (note 8)	11,532	12,466
Operating leases (note 16)	39,921	46,442

4 Resources Expended

	Direct Costs	Support costs	Total 2009	Total 2008
	£	£	£	£
Cost of generating funds				
<i>Cost of generating voluntary income:</i>				
Other fundraising activities	52,748	6,648	59,396	54,262
<i>Fundraising trading:</i>				
Costs of goods sold and shop costs	80,626	10,513	91,139	87,199
Charitable expenditure				
Residential Services	1,218,779	163,455	1,382,234	1,266,208
Community Services	321,874	43,665	365,539	321,961
Childrens Services	159,351	22,322	181,673	157,190
Rental costs	6,770	-	6,770	6,670
Governance costs	17,909	-	17,909	17,317
	1,858,057	246,603	2,104,660	1,910,807

5 Employee Information

	2009	2008
	£	£
Staff costs		
Wages and salaries	1,517,131	1,344,069
Social security costs	100,311	94,365
Other pension costs	28,041	22,167
	1,645,483	1,460,601

The average monthly number of full-time equivalent employees during the period was as follows:

	Number	Number
Office and management	15	15
Support workers	52	49
	67	64

There are no employees earning £60,000 or more per annum.

The Company pays contributions into a group scheme with the Pensions Trust (see note 18). The pension cost, representing the amounts due for the year, was £28,041 (2008: £22,167).

Watford and District Mencap Society
Notes to the Accounts
For the year ended 31st March 2009 (continued)

6	Investment Income	2009	2008
		£	£
	Bank and building society interest	16,436	17,371

7	Interest Payable	2009	2008
		£	£
	On freehold property loan	6,121	7,770

8	Tangible Fixed Assets	Freehold Property	Fixtures and Fittings	Motor Vehicles	Total
	Cost	£	£	£	£
	At 1st April 2008	460,265	156,132	81,069	697,466
	Additions	-	8,733	-	8,733
	Disposals	-	-	-	-
	At 31st March 2009	<u>460,265</u>	<u>164,865</u>	<u>81,069</u>	<u>706,199</u>
	Depreciation				
	At 1st April 2008	-	125,558	74,249	199,807
	Charge for year	-	9,827	1,705	11,532
	Eliminated on Disposal	-	-	-	-
	At 31st March 2009	<u>-</u>	<u>135,385</u>	<u>75,954</u>	<u>211,339</u>
	Net Book Value				
	At 31st March 2009	<u>460,265</u>	<u>29,480</u>	<u>5,115</u>	<u>494,860</u>
	At 31st March 2008	<u>460,265</u>	<u>30,574</u>	<u>6,820</u>	<u>497,659</u>

In addition, the Society has the benefit of a twenty year lease on a property concurrent with a management agreement to operate the premises as a home on behalf of Hertfordshire County Council. The lease expires in 2010.

The insurance value of freehold property is £1,500,193

9	Debtors	2009	2008
		£	£
	Trade debtors	46,524	23,914
	Prepayments and accrued income	69,245	42,523
		<u>115,769</u>	<u>66,437</u>

10	Creditors: Amounts falling due within one year	2009	2008
		£	£
	Bank loan (note 11)	23,032	21,214
	Little Martins	64,055	37,387
	Accruals and deferred income	57,051	94,001
		<u>144,138</u>	<u>152,602</u>

Watford and District Mencap Society
Notes to the Accounts
For the year ended 31st March 2009 (continued)

11	Creditors: Amounts falling due after more than one year	2009	2008
		£	£
	Bank loan	40,499	63,618
	Amount of loan falling due:		
	Within 1 year	23,032	21,214
	Within 2 - 5 years	40,499	63,618
		<u>63,531</u>	<u>84,832</u>

The bank loan, which totals £63,531 (2008: £84,832) is repayable in monthly instalments, which commenced on 4th December 1991. The rate of interest on the loan is 8.25%. The loan is secured by a fixed charge on freehold property.

12	Unrestricted Funds	Funds Brought Forward	Income	Expenditure	Transfers	Funds Carried Forward
		£	£	£	£	£
	General Funds	578,446	2,046,752	(1,697,995)	(179,399)	747,804
	Designated Funds					
	Repairs and building	75,000		(52,521)	80,521	103,000
	Charles Hatch Bequest	26,487	825	(909)		26,403
	Transport	30,506				30,506
	Contingency	34,209				34,209
	Office move	20,000				20,000
	Development	12,562		(12,562)	10,000	10,000
	Table Hall	-			88,878	88,878
	IT	20,000				20,000
	Total Designated Funds	<u>218,764</u>	<u>825</u>	<u>(65,992)</u>	<u>179,399</u>	<u>332,996</u>
	Total Funds	<u>797,210</u>	<u>2,047,577</u>	<u>(1,763,987)</u>	<u>-</u>	<u>1,080,800</u>

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

Repairs and building - funds set aside for the maintenance of and any future liabilities arising from the properties owned and managed by the Society. A transfer was made to the fund in order to cover the expected future liabilities.

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

Transport - funds set aside to replace the general use minibus at the end of its useful life.

Contingency - funds put aside to meet any unexpected expenditure incurred by the Society.

Office move - funds set aside to cover the cost of an office move when the current lease expires in 2009.

Development - funds set aside to support personalisation.

Table Hall - funds from Table Hall project

IT - funds set aside to continue to improve efficiency by means of IT implementation.

Watford and District Mencap Society
Notes to the Accounts
For the year ended 31st March 2009 (continued)

13 Restricted Funds	Funds Brought Forward £	Income £	Expenditure £	Transfers £	Funds Carried Forward £
Leisure together Hertsmere	7,029	7,948	(13,977)		1,000
Leisure together Watford	-	7,947	(7,947)		-
Holiday activities	-	16,451	(16,314)		137
Structured break scheme	-	1,826	(1,826)		-
Awhileaway break scheme	-	10,090	(8,533)		1,557
Saturday club	-	31,598	(31,598)		-
Hillside transport	10,165	-	-		10,165
Advice service	-	29,930	(28,030)		1,900
Day activities scheme	-	16,580	(14,576)		2,004
Playschemes	-	38,786	(38,786)		-
Childrens Centre	4,761	58,181	(57,465)		5,477
Human resources project	12,137	-	(12,137)		-
Sports project	1,014	-	(1,014)		-
Berrywood garden	161	-	(161)		-
Homeoaks garden	1,161	-	-		1,161
Thorpedale garden	3,130	-	(849)		2,281
Little Martins	-	91,161	(91,161)		-
Individualised funding project	-	68,966	(16,299)		52,667
Workforce development grant	-	55,587	-		55,587
Involving people project	-	8,333	-		8,333
Total Restricted Funds	39,558	443,384	(340,673)	-	142,269

The restricted funds of the charity are all income funds. The funds are subject to conditions imposed by the donors.

14 Analysis Of Net Assets	Unrestricted Funds £	Restricted Funds £	2009 Total £	2008 Total £
Tangible fixed assets	494,860	-	494,860	497,659
Net current assets	626,439	142,269	768,708	402,727
Creditors due after more than one year	(40,499)	-	(40,499)	(63,618)
Net Assets	1,080,800	142,269	1,223,069	836,768

15 Limited By Guarantee

The Company does not have a share capital and is limited by guarantee. Each member has agreed to accept liability not exceeding £1 should the Company be wound up.

Watford and District Mencap Society
Notes to the Accounts
For the year ended 31st March 2009 (continued)

16 Lease Commitments

At the year end, the Company was committed to making the following payments during the next year in respect of the operating leases with expiry dates as follows:

	Property	Other	2009	2008
	£	£	£	£
Within 1 year	15,778	-	15,778	4,750
Within 2 to 5 years	21,500	2,643	24,143	41,692
After 5 years	-	-	-	-
	<u>37,278</u>	<u>2,643</u>	<u>39,921</u>	<u>46,442</u>

17 Expenses of Members of the Council of Management

During the year no expenses were paid to the members of the Council of Management. No member of the Council was paid remuneration during the year.

The members of the Council of Management were able to use services used generally by beneficiaries and members of the Society.

Watford and District Mencap Society

Notes to the Accounts

For the year ended 31st March 2009 (continued)

18 Pensions

Watford and District Mencap Society participates in the Pensions Trust's Growth Plan (the Plan). The Plan is funded and is not contracted out of the state scheme. The Growth Plan is a multi-employer pension plan.

Contributions paid in to the Plan up to and including September 2001 were converted to defined amounts of pension payable from the National Retirement Date. From October 2001 contributions were invested in personal funds which have a capital guarantee and which are converted to pension on retirement, either within the Growth Plan or by the purchase of an annuity.

The Trustee commissions an actuarial valuation of the Growth Plan every 3 years. The purpose of the actuarial valuation is to determine the funding position of the Plan by comparing the assets with the past service liabilities as at the valuation date. Asset values are calculated by reference to market levels. Accrued past service liabilities are valued by discounting expected future benefit payments using a discount rate calculated by reference to the expected investment return.

As at the balance sheet date there were 32 active members of the Plan employed by Watford and District Mencap Society. The Society has closed the Plan to new entrants.

It is not possible in the normal course of events to identify on a reasonable and consistent basis the share of underlying assets and liabilities belonging to individual participating employers. Accordingly, and due to the nature of the Plan, defined benefit accounting is not used. The accounting charge for the period under Financial Reporting Standard 17 'Retirement Benefits' (FRS 17) represents the employer contributions payable.

The last formal valuation of the Scheme was performed as at 30 September 2008 by a professionally qualified actuary using the Projected Unit Method. The market value of the Scheme's assets at the valuation date was £742 million and the Plan's Technical Provisions (i.e. past service liabilities) were £771 million. The valuation therefore, revealed a shortfall of assets compared with the value of liabilities of £29 million, equivalent to a funding level of 96%.

The next full actuarial valuation will be carried out as at 30 September 2011.

In view of the small funding deficit and the level of prudence implicit in the assumptions used to calculate the Plan liabilities, the Trustee has prepared a recovery plan on the basis that no additional contributions from participating employers are required at this point in time. In reaching this decision the Trustee has taken actuarial advice and has been advised that the shortfall of £29 million (as at 30 September 2008) will be cleared within 9 years and 10 months if the investment returns from assets are in line with the "best estimate" assumptions. "Best estimate" means that there is a 50% expectation that the return will be lower than that assumed over the next 10 years.

Following a change in legislation in September 2005 there is a potential debt on the employer that could be levied by the Trustee of the Plan. The Trustee's current policy is that it only applies to employers with pre October 2001 liabilities in the Plan. The debt is due in the event of the employer ceasing to participate in the Plan or the Plan winding up.

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

The Charity has been notified by the Pensions Trust of the estimated employer debt on withdrawal from the Plan based on the financial position of the Plan as at 30 September 2008. As of this date the estimated employer debt for the Charity was £275,209. The actuary has advised that this figure is likely to increase by 51% to 31 March 2009.