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Charity Registration No. 1041341

Company Registration No. 2963692 (England and Wales)

**WALTHAM FOREST SOCIETY FOR MENTALLY HANDICAPPED
CHILDREN AND ADULTS**

(A COMPANY LIMITED BY GUARANTEE)

MANAGEMENT COMMITTEE REPORT AND ACCOUNTS

FOR THE YEAR ENDED 31 MARCH 2006



**WALTHAM FOREST SOCIETY FOR MENTALLY HANDICAPPED
CHILDREN AND ADULTS
(A COMPANY LIMITED BY GUARANTEE)
LEGAL AND ADMINISTRATIVE INFORMATION**

Management Committee

J Chard, (Chair)
M Meredith
J Taylor
M Thorogood
A Manning
A J Swanson
S Quinlivan
A Graham
I Vali

Secretary

D Harrison

Charity number

1041341

Company number

2963692

Principal address and Registered Office

Mencap Centre
1A Matlock Road
Leyton
E10 6BN
London

Auditors

H.W.Fisher & Company
Acre House
11-15 William Road
London
NW1 3ER

Bankers

Barclays Bank Plc
Leicester
LE87 2BB

Solicitors

Cartwright Cunningham Haslegrove & Co.
13/13a The Broadway
Woodford Green
Essex
IG8 0HL

**WALTHAM FOREST SOCIETY FOR MENTALLY HANDICAPPED
CHILDREN AND ADULTS
(A COMPANY LIMITED BY GUARANTEE)
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**WALTHAM FOREST SOCIETY FOR MENTALLY HANDICAPPED
CHILDREN AND ADULTS
(A COMPANY LIMITED BY GUARANTEE)
MANAGEMENT COMMITTEE REPORT
FOR THE YEAR ENDED 31 MARCH 2006**

The Management Committee present their report and accounts for the year ended 31 March 2006. The accounts have been prepared in accordance with the accounting policies set out in note 1 to the accounts and comply with the charity's Memorandum of Association dated 30 July 2002, applicable law and the requirements of the Statement of Recommended Practice, "Accounting and Reporting by Charities" issued in October 2000.

Structure, governance and management

The organisation is a charitable company limited by guarantee, incorporated in August 1994 and was first registered as a charity in 1964. The company's current Memorandum and Articles of Association, which established the objects and powers of the charitable company and is governed under its Articles of Association, were adopted in 2003 and are in line with Royal Mencap's requirement for affiliated bodies. In the event of the company being wound up the guarantee members are required to contribute the sum of £1.

The Management Committee who served during the year were:

J Chard, (Chair)
M Meredith
J Taylor
M Thorogood
A Manning
A J Swanson
S Quinlivan
A Graham
I Vali

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 Board. Members nominated as directors are voted in at the Annual General Meeting. Due to the nature of the charity's work, the Board strive to ensure amongst directors a mixture of carers and a broad skill mix of professionals, and also to ensure that the ethnicity of the area we work within is reflected on the Board.

Most trustees are already familiar with the practical work of the charity either through their caring role or professional background. In the event of particular skills being lost due to retirement of directors, individuals are approached to offer themselves for election on to the Board. Prospective new directors are encouraged to meet with the Chief Executive and Chair to familiarise themselves with the charity and the context within which it operates. During the meeting they would cover:

- The obligations of directors;
- The main documents which set out the operational framework for the charity including the Memorandum and Articles of Association;
- Resourcing and the current financial position as set out in the latest published accounts;
- Future plans and objectives. New directors are given copies of all relevant documents.

WF Mencap has a Board of Directors, which meets monthly (except August) and is responsible for the strategic direction and policies of the charity. The Secretary/Chief Executive also attends Board meetings but has no voting rights. A scheme of delegation is in place and day-to-day responsibility for the provision of the services rests with the Chief Executive along with the Deputy Chief Executive and Finance Officer.

Risk management

The Board has conducted a review of the major risks to which the charity is exposed and estimates have been made to quantify each of these risks. A risk register has been established and is updated at least annually. Where appropriate, systems or procedures have been established to mitigate the risks the charity faces. Internal risks are minimised by the implementation of procedures for authorisation of all transactions and projects. Procedures are in place to ensure compliance with the health and safety of staff, volunteers, service users and visitors to the charity's buildings. The continuing implementation of the Investors in People, Legal Services Quality Mark and Aiming High Children's Services Quality Mark ensure a consistent high quality of delivery for all operational aspects of the charity.

**WALTHAM FOREST SOCIETY FOR MENTALLY HANDICAPPED
CHILDREN AND ADULTS
(A COMPANY LIMITED BY GUARANTEE)
MANAGEMENT COMMITTEE REPORT (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2006**

Objectives and activities

The Charity's objects is for the relief of mentally handicapped people within the area and immediately surrounding area of Waltham Forest. Our Mission is to support people with learning disabilities and those who care for them, and work towards continuous improvement in services through our own service delivery and ongoing campaigning, lobbying and representation.

Achievements and performance

One of the main objectives this year was to research and publish a history of people's lives in Leytonstone House long stay hospital. This was funded by the Heritage Lottery. This project was successful, completed on time and the book and exhibition were launched in June 2005. We continued to provide services for a significant number of people with learning disabilities and their carers in Waltham Forest.

Our continuing objectives include to:

- Provide a range of services, which are reflective of relevant quality standards and maximise people's independence and social inclusion
- Advocate for people with learning disabilities and their carers, to ensure appropriate service provision and support from statutory agencies
- Provide sports and leisure activities to encourage social inclusion, healthy lifestyles, self-esteem and awareness and team spirit
- Campaign with and on behalf of people with learning disabilities and carers to improve local services in line with the Government's valuing people strategy
- Continue to promote service user inclusion with the local Partnership Board and Person Centred Planning throughout the learning disabled community
- Provide nationally recognised training opportunities for people with learning disabilities linked to supported employment within a social enterprise. During this year ten people with learning disabilities successfully completed their NVQ level 1 in Food Preparation and Hygiene, six successfully completed their NVQ level 1 in Horticulture and two successfully completed their level 2 in horticulture. All students had paid employment linked to their course
- Provide respite opportunities for carers whilst offering meaningful activities for their family member with learning disabilities
- Continue to expand our Leisure Library facility
- Provide accessible transport to enable people with learning disabilities to access both community and our own services
- Ensure the buildings in which we provide services remain fully accessible and comply with all the necessary Health and Safety standards.

Our business plan encapsulates our strategy for delivering the above objectives and our projected funding should enable their continuing achievement during the year 2006/07.

Financial review

Against a backdrop of limited resources, it has continued to be a significant challenge to plan, however the charity, with sound financial management and very successful fundraising support by the Deputy Chief Executive and staff, was able to generate a very positive financial outcome for the period with a net increase in funds of £34,191 after applying depreciation of £47,634.

The Board has examined the charity's requirements for reserves in the light of the main risks to the organisation. It has established a reserves policy whereby the unrestricted funds, not committed or invested in tangible fixed assets held by the charity, should be approximately three months' operating expenditure. The charity will continue to build reserves through planned operating surpluses and the Board has the ambition that the policy objective should be achieved within five years. The Board has also considered the extent to which existing activities and expenditure could be curtailed should circumstances demand this. The Board periodically reviews the use of reserves that are invested in our fixed assets i.e. the house in Herne Bay.

**WALTHAM FOREST SOCIETY FOR MENTALLY HANDICAPPED
CHILDREN AND ADULTS
(A COMPANY LIMITED BY GUARANTEE)
MANAGEMENT COMMITTEE REPORT (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2006**

Reserves policy

The general fund represents the free reserves of the charity. The Management Committee have examined the requirement to maintain free reserves and conclude that the most appropriate level is approximately three months' expenditure. The free reserves of the charity at 31 March 2006 are £77,966. This is significantly below their expenditure target. The Management Committee will be urgently reviewing the position during the next financial year.

Aside from retaining a prudent amount in reserves each year most of the charity's funds are spent in the short term and there are few funds for long-term investment. Having considered the available options the Board, with recommendations from the Finance Committee, invest in a term treasury account and an immediate access high interest account with Barclays Bank.

We continue to support the core activities of the charity and have received project related funds from: - The Neighbourhood Renewal Scheme

- Early Years
- Sure Start
- Jack Petchey Foundation
- Learning Skills Council
- Big Lottery
- Heritage Lottery
- Bailey Thomas
- Football Foundation
- Waltham Forest Carers Grant

Asset cover for funds

Note 17 sets out an analysis of the assets attributable to the various funds and a description of the trusts. These assets are sufficient to meet the charity's obligations on a fund by fund basis.

Plans for the future

The charity plans to continue the activities outlined above in the forthcoming years subject to satisfactory funding arrangements. We will continue to fundraise for projects to meet needs identified through our Learning Disabilities Experience (LDX) consultative group and identified by national strategies outlined in the Valuing People documents. The charity will continue to work within nationally recognised and accredited quality standards.

Auditors

H.W. Fisher & Company were appointed auditors to the company. The Management Committee have put the audit out to tender for the year ended 31 March 2007.

On behalf of the board of Management Committee



J Chard, (Chair)

Management Committee Member

Dated: 12 June 2006

**WALTHAM FOREST SOCIETY FOR MENTALLY HANDICAPPED
CHILDREN AND ADULTS
(A COMPANY LIMITED BY GUARANTEE)
STATEMENT OF MANAGEMENT COMMITTEE RESPONSIBILITIES**

The Management Committee are responsible for preparing the accounts in accordance with applicable law and United Kingdom Generally Accepted Accounting Practice.

Company law requires the Management Committee to prepare accounts for each financial year which give a true and fair view of the state of affairs of the Charity and of its incoming resources and application of resources, including its net income and expenditure for the year.

In preparing these accounts, the Management Committee are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent; and
- prepare the accounts on the going concern basis unless it is inappropriate to presume that the Charity will continue in operation.

The Management Committee are responsible for keeping proper accounting records that disclose with reasonable accuracy at any time the financial position of the Charity and which enable them to ensure that the accounts comply with the Companies Act 1985. They are also responsible for safeguarding the assets of the Charity and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

**WALTHAM FOREST SOCIETY FOR MENTALLY HANDICAPPED
CHILDREN AND ADULTS
(A COMPANY LIMITED BY GUARANTEE)
INDEPENDENT AUDITORS' REPORT
TO THE MEMBERS OF WALTHAM FOREST SOCIETY FOR MENTALLY
HANDICAPPED CHILDREN AND ADULTS**

We have audited the accounts of Waltham Forest Society for Mentally Handicapped Children and Adults for the year ended 31 March 2006 set out on pages 7 to 17. These accounts have been prepared under the accounting policies set out on page 9.

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

Respective responsibilities of Management Committee and auditors

As described on page 4, the Management Committee, who are also the directors of Waltham Forest Society for Mentally Handicapped Children and Adults for the purpose of company law, are responsible for preparing the Management Committee Report and the accounts in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice). Our responsibility is to audit the accounts 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 accounts give a true and fair view and are properly prepared in accordance with the Companies Act 1985. We also report to you whether in our opinion the information given in the Management Committee Report is consistent with the accounts, if the charity 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 trustees' remuneration and transactions with the Charity is not disclosed.

We read other information contained in the Management Committee Report, and consider whether it is consistent with the audited accounts. We consider the implications for our report if we become aware of any apparent misstatements or material inconsistencies with the accounts. Our responsibilities do not extend to any other information.

Basis of 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 accounts. It also includes an assessment of the significant estimates and judgements made by the Management Committee in the preparation of the accounts, and of whether the accounting policies are appropriate to the Charity'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 accounts 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 accounts.

**WALTHAM FOREST SOCIETY FOR MENTALLY HANDICAPPED
CHILDREN AND ADULTS
(A COMPANY LIMITED BY GUARANTEE)
INDEPENDENT AUDITORS' REPORT (CONTINUED)
TO THE MEMBERS OF WALTHAM FOREST SOCIETY FOR MENTALLY
HANDICAPPED CHILDREN AND ADULTS**

Opinion

In our opinion:

- the accounts give a true and fair view in accordance with United Kingdom Generally Accepted Accounting Practice of the state of the Charity's affairs as at 31 March 2006 and of its incoming resources and application of resources in the year then ended;
- the accounts have been properly prepared in accordance with the Companies Act 1985; and
- the information given in the Management Committee Report is consistent with the accounts.

H.W.Fisher & Company

Chartered Accountants

Registered Auditor

Acre House

11-15 William Road

London

NW1 3ER

Dated: 23 June 2006

**WALTHAM FOREST SOCIETY FOR MENTALLY HANDICAPPED
CHILDREN AND ADULTS
(A COMPANY LIMITED BY GUARANTEE)
STATEMENT OF FINANCIAL ACTIVITIES
INCLUDING INCOME AND EXPENDITURE ACCOUNT
FOR THE YEAR ENDED 31 MARCH 2006**


	Notes	Unrestricted funds £	Designated funds £	Restricted funds £	Total 2006 £	Total 2005 £
<u>Incoming resources from generated funds</u>						
Donations and legacies	2	44,977	-	-	44,977	11,001
Investment income	3	1,461	-	-	1,461	3,781
		46,438	-	-	46,438	14,782
Incoming resources from charitable activities.	4	757,798	-	93,260	851,058	755,314
Total incoming resources		804,236	-	93,260	897,496	770,096
<u>Resources expended</u>						
Charitable activities						
Waltham Forest Centre projects	5	685,263	47,634	96,118	829,015	750,285
Outreach		29,297	-	-	29,297	55,343
Total charitable expenditure		714,560	47,634	96,118	858,312	805,628
Governance costs	8	4,993	-	-	4,993	4,195
Total resources expended		719,553	47,634	96,118	863,305	809,823
Net incoming/(outgoing) resources before transfers		84,683	(47,634)	(2,858)	34,191	(39,727)
Gross transfers between funds	11	(11,298)	20,057	(8,759)	-	151,339
Net income/(expenditure) for the year/ Net incoming/(outgoing) resources		73,385	(27,577)	(11,617)	34,191	111,612
Net movement in funds		73,385	(27,577)	(11,617)	34,191	111,612
Fund balances at 1 April 2005		4,581	280,616	16,282	301,479	189,867
Fund balances at 31 March 2006		77,966	253,039	4,665	335,670	301,479

The statement of financial activities also complies with the requirements for an income and expenditure account under the Companies Act 1985.

**WALTHAM FOREST SOCIETY FOR MENTALLY HANDICAPPED
CHILDREN AND ADULTS
(A COMPANY LIMITED BY GUARANTEE)
BALANCE SHEET
AS AT 31 MARCH 2006**

	Notes	2006 £	£	2005 £	£
Fixed assets					
Tangible assets	12		228,168		255,745
Current assets					
Debtors	13	47,940		44,305	
Cash at bank and in hand		107,304		84,325	
		155,244		128,630	
Creditors: amounts falling due within one year	14	(47,742)		(82,896)	
Net current assets			107,502		45,734
Total assets less current liabilities			335,670		301,479
Income funds					
Restricted funds	15		4,665		16,282
Unrestricted funds:					
Designated funds	16		253,039		280,616
Other charitable funds			77,966		4,581
			335,670		301,479

The accounts were approved by the Board on 12 June 2006



J Chard, (Chair)
Management Committee Member

**WALTHAM FOREST SOCIETY FOR MENTALLY HANDICAPPED
CHILDREN AND ADULTS
(A COMPANY LIMITED BY GUARANTEE)
NOTES TO THE ACCOUNTS
FOR THE YEAR ENDED 31 MARCH 2006**

1 Accounting policies

1.1 Basis of preparation

The accounts have been prepared under the historical cost convention.

The accounts have been prepared in accordance with applicable accounting standards, the Statement of Recommended Practice, "Accounting and Reporting by Charities", issued in March 2005 and the Companies Act 1985.

1.2 Incoming resources

Grants, including grants for the purchase of fixed assets, are recognised in full in the Statement of Financial Activities in the year in which they are receivable or any requirement imposed on the grant is fulfilled.

Voluntary income is included in the Statement of Financial Activities upon receipt.

1.3 Resources expended

Expenditure is classified under the charity's principal projects. Staff costs and overhead expenses are allocated to activities on the basis of staff time spent on those activities. Expenditure is included on an accruals basis, inclusive of value added tax.

Support costs comprise costs incurred directly in support of expenditure on the objects of the charity.

Governance costs comprise costs for the running of the charity itself as an organisation and compliance with constitutional and statutory requirements.

1.4 Tangible fixed assets and depreciation

Tangible fixed assets other than freehold land are stated at cost less depreciation. Depreciation is provided at rates calculated to write off the cost less estimated residual value of each asset over its expected useful life, as follows:

Leasehold property improvements	20% straight line
Fixtures, fittings & equipment	25% straight line
Motor vehicles	20% straight line

1.5 Accumulated funds

Unrestricted funds are donations and other incoming resources receivable for the objects of the charity without further specified use and are available as general funds.

Restricted funds are to be used for specific purposes as laid down by the donor. Expenditure which meets these criteria is charged to the fund.

Designated funds are funds earmarked by the Management Committee for particular purposes.

**WALTHAM FOREST SOCIETY FOR MENTALLY HANDICAPPED
CHILDREN AND ADULTS
(A COMPANY LIMITED BY GUARANTEE)
NOTES TO THE ACCOUNTS (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2006**

2 Donations and legacies

	2006 £	2005 £
Donations and gifts	<u>44,977</u>	<u>11,001</u>
Donations and gifts		
Unrestricted funds:		
Donations	9,977	5,306
Legacies received	35,000	-
	<u>44,977</u>	<u>5,306</u>

3 Investment income

	2006 £	2005 £
Interest receivable	<u>1,461</u>	<u>3,781</u>

**WALTHAM FOREST SOCIETY FOR MENTALLY HANDICAPPED
CHILDREN AND ADULTS
(A COMPANY LIMITED BY GUARANTEE)
NOTES TO THE ACCOUNTS (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2006**

4 Incoming resources from charitable activities.

	Unrestricted funds £	Restricted funds £	Total 2006 £	Total 2005 £
Waltham Forest Centre projects	713,514	93,260	806,774	723,324
Outreach	44,284	-	44,284	31,990
	<u>757,798</u>	<u>93,260</u>	<u>851,058</u>	<u>755,314</u>

Included within income relating to waltham forest centre projects are the following:

Local authority service agreements	504,564	416,657
Learning Skills Council	75,775	1,250
Grants receivable	38,935	45,486
Big Lottery	31,650	86,559
European Social Fund	1,524	20,143
Heritage Lottery Fund	21,151	26,049
	<u>673,599</u>	<u>596,144</u>

Included within income relating to outreach are the following:

Service agreements	44,066	31,990
	<u>44,066</u>	<u>31,990</u>

**WALTHAM FOREST SOCIETY FOR MENTALLY HANDICAPPED
CHILDREN AND ADULTS
(A COMPANY LIMITED BY GUARANTEE)
NOTES TO THE ACCOUNTS (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2006**

5 Total resources expended

	Staff costs £	Depreciation £	Other costs £	Total 2006 £	Total 2005 £
Charitable activities					
<u>Waltham Forest Centre projects</u>					
Activities undertaken directly	566,776	47,634	192,743	807,153	726,526
Support costs	21,862	-	-	21,862	23,759
Total	588,638	47,634	192,743	829,015	750,285
Outreach					
Activities undertaken directly	29,297	-	-	29,297	55,343
	617,935	47,634	192,743	858,312	805,628
Governance costs	-	-	4,993	4,993	4,195
	617,935	47,634	197,736	863,305	809,823

Management and administration costs includes payments to the auditors of £4,993 (2005- £4,113) for audit fees and £nil (2005- £3,642) for other services.

6 Activities undertaken directly

	2006 £	2005 £
Other costs relating to waltham forest centre projects comprise:		
Sub contractors	26,120	15,790
Recruitment and training	7,888	9,641
Staff Welfare	2,420	1,750
Motor and travel	26,049	17,925
Telephone	5,885	4,652
Printing, postage and stationery	12,611	11,084
Subscriptions	1,681	2,120
Property costs	51,135	14,784
Insurance	5,006	14,182
Over 50's club	14,071	10,014
Group expenses	17,563	34,220
Sundry expenses	2,095	523
Holiday home expenses	3,164	3,950
Bank charges	407	414
Equipment costs	4,692	3,057
Repairs and maintenance	2,251	27,511
Legal, professional and consultancy	9,705	9,351
	192,743	180,968

**WALTHAM FOREST SOCIETY FOR MENTALLY HANDICAPPED
CHILDREN AND ADULTS
(A COMPANY LIMITED BY GUARANTEE)
NOTES TO THE ACCOUNTS (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2006**

7 Support costs

	2006 £	2005 £
Staff costs	21,862	23,759
	<u>21,862</u>	<u>23,759</u>

8 Governance costs

	2006 £	2005 £
Other governance costs comprise:		
Audit and accountancy	4,993	4,195
	<u>4,993</u>	<u>4,195</u>

9 Management Committee

None of the Management Committee (or any persons connected with them) received any remuneration or were reimbursed expenses during the year (2003 nil).

10 Employees

Number of employees

The average monthly number of employees during the year was:

	2006 Number	2005 Number
Waltham Forest Centre projects	39	36
Outreach	2	3
Support	2	2
	<u>43</u>	<u>41</u>

Employment costs

	2006 £	2005 £
Wages and salaries	545,779	519,447
Social security costs	45,756	44,241
Other pension costs	26,400	16,133
	<u>617,935</u>	<u>579,821</u>

There were no employees whose annual emoluments were £60,000 or more.

**WALTHAM FOREST SOCIETY FOR MENTALLY HANDICAPPED
CHILDREN AND ADULTS
(A COMPANY LIMITED BY GUARANTEE)
NOTES TO THE ACCOUNTS (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2006**

11 Transfers

£20,057 has been transferred from unrestricted funds to designated funds to represent the increase in the fund value of fixed assets by way of additions.

£4,266 has been transferred to restricted funds to cover activities which the Board wished to continue to support.

£13,025 transferred to unrestricted funds represents balances on contracts that are treated as unrestricted funds for 2006 and have been expended during the year.

12 Tangible fixed assets

	Land and buildings	Leasehold property improvements	Fixtures, fittings & equipment	Motor vehicles	Total
	£	£	£	£	£
Cost					
At 1 April 2005	130,000	66,744	82,253	127,981	406,978
Additions	-	19,169	888	-	20,057
At 31 March 2006	130,000	85,913	83,141	127,981	427,035
Depreciation					
At 1 April 2005	-	13,349	63,078	74,806	151,233
Charge for the year	-	17,182	12,601	17,851	47,634
At 31 March 2006	-	30,531	75,679	92,657	198,867
Net book value					
At 31 March 2006	130,000	55,382	7,462	35,324	228,168
At 31 March 2005	130,000	53,395	19,175	53,175	255,745

13 Debtors

	2006	2005
	£	£
Other debtors	40,968	29,952
Prepayments and accrued income	6,972	14,353
	47,940	44,305

**WALTHAM FOREST SOCIETY FOR MENTALLY HANDICAPPED
 CHILDREN AND ADULTS**
(A COMPANY LIMITED BY GUARANTEE)
NOTES TO THE ACCOUNTS (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2006

14	Creditors: amounts falling due within one year	2006	2005
		£	£
	Taxes and social security costs	13,566	13,223
	Other creditors	7,571	20,138
	Accruals	26,605	49,535
		<u>47,742</u>	<u>82,896</u>

**WALTHAM FOREST SOCIETY FOR MENTALLY HANDICAPPED
CHILDREN AND ADULTS
(A COMPANY LIMITED BY GUARANTEE)
NOTES TO THE ACCOUNTS (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2006**

15 Restricted funds

The income funds of the charity include restricted funds comprising the following unexpended balances of donations and grants held on trust for specific purposes:

	Movement in funds				
	Balance at 1 April 2005	Incoming resources	Resources expended	Transfers	Balance at 31 March 2006
	£	£	£	£	£
Football	-	1,750	(856)	-	894
Football Foundation	-	1,750	-	-	1,750
Jack Petchey	-	6,784	(6,784)	-	-
Jack Petchey Awards	-	800	(1,200)	400	-
Support Workers	-	31,650	(29,629)	-	2,021
Social Enterprise	-	27,851	(28,386)	535	-
Heritage	3,257	21,151	(27,739)	3,331	-
European Social Fund (ESF)	-	1,524	(1,524)	-	-
Contracts (transferred to unrestricted funds)	13,025	-	-	(13,025)	-
	<u>16,282</u>	<u>93,260</u>	<u>(96,118)</u>	<u>(8,759)</u>	<u>4,665</u>

Grants from Sports funding bodies such as Football and Football Foundation have been obtained in order to provide for kit, training equipment, and all the ancillary costs of running teams.

Jack Petchey runs two schemes, one designed to defray major costs-WFMencap applied for support for the Sports Project-and the Award Scheme where young people nominate one of their peers for exceptional conduct, with the whole peer group benefiting from the award.

Support Workers are posted in the Family Support Unit providing support to carers over the age of sixty-five and those they care for.

WFMencap successfully applied for funding under a Neighbourhood Renewal Scheme carried out by the Social Enterprise Hortico6 Gardening Group which also benefited during the year from a small amount of ESF funding.

The time limited Heritage Lottery Group Reminiscence Project on Leytonstone House was completed in October 2005.

Support Workers are posted in the Family Support Unit providing support to carers over the age of sixty-five and those they care for.

**WALTHAM FOREST SOCIETY FOR MENTALLY HANDICAPPED
CHILDREN AND ADULTS
(A COMPANY LIMITED BY GUARANTEE)
NOTES TO THE ACCOUNTS (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2006**

16 Designated funds

The income funds of the charity include the following designated funds which have been set aside out of unrestricted funds by the trustees for specific purposes:

	Balance at 1 April 2005	Movement in funds			Balance at 31 March 2006
	£	Incoming resources £	Resources expended £	Transfers £	£
Minibus fund	24,871	-	-	-	24,871
Fixed asset fund	255,745	-	(47,634)	20,057	228,168
	<u>280,616</u>	<u>-</u>	<u>(47,634)</u>	<u>20,057</u>	<u>253,039</u>

The Minibus fund is money provided for the purchase of new minibuses for the charity.

The Fixed asset fund represents the net book value of fixed assets.

17 Analysis of net assets between funds

	Unrestricted funds £	Designated funds £	Restricted funds £	Total £
Fund balances at 31 March 2006 are represented by:				
Tangible fixed assets	-	228,168	-	228,168
Current assets	125,708	24,871	4,665	155,244
Creditors: amounts falling due within one year	(47,742)	-	-	(47,742)
	<u>77,966</u>	<u>253,039</u>	<u>4,665</u>	<u>335,670</u>