

Registered number: 01233201

MENCAP TRUST COMPANY LIMITED
(A company limited by guarantee)

REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2019

MENCAP TRUST COMPANY LIMITED

(A company limited by guarantee)

OFFICERS AND PROFESSIONAL ADVISERS

DIRECTORS	Gary Gee Lynn James-Jenkinson Heike Munro Jean Spiteri Christine Cryne Edward Wadsworth (retired 11 th April 2019)
COMPANY SECRETARY	Julie Schwarz TEP
REGISTERED NUMBER	01233201
REGISTERED OFFICE	123 Golden Lane London EC1Y 0RT
INDEPENDENT AUDITORS	Crowe U.K. LLP St Bride's House 10 Salisbury Square London EC4Y 8EH
BANKERS	Barclays Bank PLC 1 Churchill Place London E14 5HP
INVESTMENT MANAGERS	Investec Wealth and Investment Limited Unit 4 The Billings 3 Walnut Tree Close Guildford GU1 4UL

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DIRECTORS' REPORT FOR THE YEAR ENDED 31 MARCH 2019

The directors present their annual report and the audited financial statements for the year ended 31 March 2019.

Activities and results

The Mencap Trust Company Limited (MTC) was formed in 1975 by Royal Mencap Society (Mencap), and is a wholly owned subsidiary of Mencap.

MTC was set up to provide a Trustee who would always be there for their loved one. In particular, to help parents, families and friends to set up a Trust where there was no one to undertake this role or it was difficult for siblings or others, to take on the burden of being a trustee and the liability that this entails such as investment responsibilities.

MTC is a professional trust company with its own independent board of unpaid directors (the Trustee). Board independence ensures that decisions are taken in the interests of beneficiaries and without regard to whether or not Mencap may be named as a residuary beneficiary.

MTC acts as sole Trustee of trust funds held for people with a learning disability and other vulnerabilities. MTC is operated as a not for profit organisation; it generated a surplus of £9,913 in 2018-19 (2017-18 £15,098). The surplus generated in 2018-19 will be retained. Over the coming years, we aim to build reserves, to be invested in the company's operations. This will allow us to continue to provide an excellent and consistent service, while at the same time expanding our outreach to as many people who would benefit from our service as possible.

MTC differentiates itself from standard trust companies, or trust service providers, in that it:

- builds and maintains relationships with all beneficiaries whilst their trust fund is active (a key means is via personal visits to discuss planned use of funds);
- provides a person centred investment approach by using alternative portfolio models that take account of both the scale of individual funds and personal circumstances (which may vary over time); and
- can draw on its knowledge base, which comes from several decades of providing a trust service to people with a vulnerability, as well as the expertise of our MTC volunteer board members and Mencap staff and resources.

While providing its trust service, MTC will:

- ensure that the assets within each trust are used to enhance the quality of life of the primary beneficiary of that trust;
- operate with integrity and be financially sound; and
- administer the trust and investments efficiently and prudently.

MTC provides its service through either a standard discretionary trust deed, or a discretionary Disabled Persons trust deed, made between the settlor of the funds and MTC. Each deed has its own named primary beneficiary and instructions with what to do with any residual funds left on the death of the primary beneficiary – the person with a vulnerability.

Each trust deed is usually accompanied by a letter of wishes from the settlor. The settlor can update the letter at any time and at no extra charge.

MTC does not provide a personal care service. However, it works closely with the people who support the person with a learning disability. MTC informs care staff that there is a trust fund available and asks them to contact MTC if they think money from trust funds could improve the life of the person they care for. MTC also undertakes review visits so that the trust can be discussed directly with the beneficiary, key supporters and family, where appropriate.

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The frequency of the review visit depends on the value of the trust fund. Beneficiaries are visited in their own homes. Review visits are informal but structured. A review report is produced and signed off by the people who attended the meeting. Visits are also scheduled when there is a significant change in a beneficiary's life.

Risks and uncertainties

The Mencap Trust Company Ltd's principal risk is that it fails to manage each trust under the terms of its trust deed. This is mitigated by following standard processes for receiving requests and making discretionary distributions. These processes apply to both the standard discretionary trust and the discretionary Disabled Persons trust.

Management of each trust is also achieved through the expertise of our professional partners: Investec, Deloitte and Golden Lane Housing.

MTC uses the following third-party professionals and specialists for specific services:

- Investec Wealth & Investment to invest all trust funds in a portfolio model (three core models at present) that best suits individual circumstances. However, sometimes, as in the case of large or complex trust, tailored investment funds are activated
- Deloitte PCS Ltd ensures individual trusts are fully tax-compliant and all statutory returns are made.
- Golden Lane Housing Ltd manages and maintains physical trust property.

As at 31 March 2019, MTC was actively managing 252 (2018 - 244) individual trusts with a financial value of £24.2 million (2018 - £23.1 million). During the 2018-19 financial year, MTC arranged 148 (2018 – 102) individual review visits and processed 894 (2018 - 688) discretionary payment requests from beneficiaries.

For more information about MTC, visit <https://www.mencaptrust.org.uk>.

Future activities

The directors intend to continue to grow and develop the present activities of the company.

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DIRECTORS' REPORT FOR THE YEAR ENDED 31 MARCH 2019

Directors and their interests

The directors of the company, which acts as trustee for the settlements which the company administers, serve the company in an honorary capacity. The following served as directors during the year and to the date of signing this report except where otherwise stated:

C Cryne (Chairwoman)

Christine Cryne gained her knowledge and understanding of learning disability and other disability through her work with Brainwave, Muscular Dystrophy Campaign and Dimensions. Christine is also chair of Dimension's Quality and Practice Committee and is expert in evaluating and championing person-centred services.

G Gee

Gary is currently a Wealth Manager with Coufts & Co and has over 25 years of experience in financial services.

L James-Jenkinson

Lynn works for Jay-Jay Associates and has held substantial contracts to act as Director North West Training & Development Team and CEX of Pathways Associates CIC since 2005. Both organisations work at the interface between disabled people, families and support services to support and encourage continued development that puts people at the centre of all planning. Lynn is a qualified Social Worker and has management qualifications. Lynn has six children one of whom has a learning disability.

H Munro

Heike is a corporate finance expert and her skills include review and improvement of business and investment plans as well as corporate governance. Heike retired from her post as a partner with global leading consultancy firm AlixPartners in 2016. Since 2017, she has taken on a new challenge of renewed study, completing an arts degree and pursuing science studies. Heike's personal experiences with friends and family make her passionate about helping to improve the situation for people with learning disabilities.

J Spiteri

Jean is a qualified nurse, and specialised in palliative care. Jean has volunteered for her local Gateway for more than 14 years. She is co-chair of North Lincolnshire Learning Disability Partnership, a role she shares with 2 co-chairs, both adults with a learning disability. Jean is passionate about supporting people to campaign and speak for themselves. Jean has a daughter with a learning disability.

E Wadsworth retired 11th April 2019

Ed joined the Board in November 2014. He has supported Aberystwyth Gateway for over a decade and regularly organises music shows for them, using his skills in theatre, film, visual art and dance (subjects he studied at college). Ed is passionate about making a difference to the lives of people with a learning disability. Ed has a learning disability himself and was unable to make himself clearly understood until he was in his 30's. Despite his retirement, Ed has remained as an active source of advice, which he has volunteered to do so until his successor is in post.

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**DIRECTORS' REPORT
FOR THE YEAR ENDED 31 MARCH 2019**

Statement of Directors' Responsibilities

The directors are responsible for preparing the Directors' report and the audited financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare audited financial statements for each financial year. Under that law the directors have elected to prepare the audited financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). Under company law the directors must not approve the audited financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period. In preparing these audited financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgments and accounting estimates that are reasonable and prudent;
- prepare the audited financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

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

The following statements have been affirmed by each of the directors of the company:

- so far as each director is aware, there is no relevant audit information (that is, information needed by the company's auditors in connection with preparing their report) of which the company's auditors are unaware; and
- each director has taken all the steps that he ought to have taken as a director in order to make himself aware of any relevant audit information and to establish that the company's auditors are aware of that information.

This report was approved by the Board of Directors and signed on its behalf.



Christine Cryne
Chairwoman

Date: 10-7-19

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INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF MENCAP TRUST COMPANY LIMITED

Opinion

We have audited the financial statements of Mencap Trust Company Limited for the year ended 31 March 2019 which comprise the Profit and Loss Accounts, the Balance Sheet and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland (United Kingdom Generally Accepted Accounting Practice).

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

In our opinion, the financial statements:

- give a true and fair view of the state of the company's affairs as at 31 March 2019 and of its profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice;
- 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 company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

- the directors' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the directors have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the company's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

Other information

The directors are responsible for the other information. The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. 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.

In connection with our audit of the financial statements, 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 audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material

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INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF MENCAP TRUST COMPANY LIMITED

misstatement in the financial statements or a material misstatement of the other information. 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 matter prescribed by the Companies Act 2006

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

- the information given in the directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the directors' report has been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the company and its environment obtained in the course of the audit, we have not identified material misstatements in directors' report.

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

- adequate accounting records have not been kept by the company, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit; or
- the directors were not entitled to prepare the financial statements in accordance with the small companies regime and take advantage of the small companies exemption in preparing the directors report and from the requirement to prepare a strategic report.

Responsibilities of directors

As explained more fully in the directors' responsibilities statement, the directors 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 directors 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 directors are responsible for assessing the 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 directors either intend to liquidate the 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.

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INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF MENCAP TRUST COMPANY LIMITED

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/auditorsresponsibilities. This description forms part of our auditor's report.

N. Hashemi

Naziar Hashemi
Senior Statutory Auditor

For and on behalf of
Crowe U.K. LLP
Statutory Auditor
London

Date: 31/7/19

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**PROFIT AND LOSS ACCOUNT
FOR THE YEAR ENDED 31 MARCH 2019**

	Note	2019 £	2018 £
TURNOVER	2	433,961	383,819
Administrative expenses	3	<u>(421,722)</u>	<u>(365,179)</u>
PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION		12,239	18,640
Provision for tax	5	<u>(1,207)</u>	<u>(3,542)</u>
PROFIT ON ORDINARY ACTIVITIES AFTER TAXATION		11,032	15,098
PROFIT BROUGHT FORWARD		<u>67,827</u>	<u>52,729</u>
RETAINED PROFIT CARRIED FORWARD		<u>78,859</u>	<u>67,827</u>

All amounts relate to continuing operations.

The notes on pages 10 to 13 form part of these financial statements.

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**BALANCE SHEET
AS AT 31 MARCH 2019**

		2019		2018	
	Note	£	£	£	£
FIXED ASSETS					
Tangible Assets	4		5,950		-
CURRENT ASSETS					
Debtors	6	281,119		284,027	
Cash at bank		<u>180,993</u>		<u>228,750</u>	
		462,112		512,777	
CREDITORS: amounts falling due within one year	7	<u>(387,996)</u>		<u>(441,408)</u>	
NET CURRENT ASSETS			<u>74,116</u>		<u>71,369</u>
TOTAL ASSETS LESS CURRENT LIABILITIES			80,066		71,369
PROVISIONS FOR LIABILITIES					
Provision for tax	5		<u>(1,207)</u>		<u>(3,542)</u>
NET ASSETS			<u>78,859</u>		<u>67,827</u>
CAPITAL AND RESERVES					
Profit and loss account			<u>78,859</u>		<u>67,827</u>

These accounts have been prepared in accordance with the provisions applicable to companies subject to the small companies' regime and in accordance with the provisions of FRS 102 Section 1A – small entities.

The financial statements were approved and authorised for issue by the board and were signed on its behalf by


Christine Cryne
Chairwoman

Date:

10 July 2019

The notes on pages 10 to 13 form part of these financial statements.

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NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2019

1. STATUTORY INFORMATION

Mencap Trust Company Limited is a private company limited by guarantee, has no share capital and is registered in England and Wales (registration number 01233201). The registered office is 123 Golden Lane, London EC1Y 0RT.

The liability of the members in the event of a winding up is limited to £5 each.

Royal Mencap Society is the sole member.

2. ACCOUNTING POLICIES

The financial statements are prepared in accordance with the Financial Reporting Standard for Small Entities effective April 2008 and the provisions of FRS 102 Section 1A – small entities. There were no material departures from that standard.

The principal accounting policies adopted in the preparation of the financial statements are set out below and have remained unchanged from the previous year/period, and have also been consistently applied within the same accounts.

The financial statements are prepared under the historical cost convention in £ sterling.

Turnover

All income is recognised in the profit and loss account when the conditions for the receipt have been met and there is reasonable assurance of receipt.

Fixed assets

Tangible assets costing more than £2,000 have been capitalised. Depreciation is provided so as to write off the cost of assets in equal instalments over their estimated useful life. The depreciation rates used for assets are as follows:

Fixtures, fittings and equipment 10% - 33% per annum

Depreciation commences once the asset has been brought into operation. Prior to the point the assets are brought into operation, the costs are captured and reported as work in progress.

Going concern

The financial statements have been prepared on a going concern basis as the company considers that it has adequate resources to continue in operational existence for the foreseeable future.

Debtors and creditors

Short term debtors are measured at transaction price less any impairment. Short term creditors are measured at transaction price.

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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2019**

TURNOVER

	2019 £	2018 £
Annual trust management fees	270,901	269,344
Initial set up fees	12,860	15,250
Acceptance fees	6,050	5,500
Distribution fees	14,015	6,240
Review fees	22,890	14,290
Unusual work fees	630	-
Other income	272	45
	<u>327,618</u>	<u>310,669</u>
Third party taxation work recovered	106,343	73,150
Total	<u>433,961</u>	<u>383,819</u>

The annual trust management fees are based on the value of trust property at 5 April in the relevant year.

3. ADMINISTRATIVE EXPENSES

	2019 £	2018 £
Management fees to parent undertakings	302,875	282,855
Audit fees	1,885	1,840
Depreciation	2,975	-
Other expenses	7,644	7,334
	<u>315,379</u>	<u>292,029</u>
Professional and legal fees	106,343	73,150
Total	<u>421,722</u>	<u>365,179</u>

The directors did not receive any remuneration during the year in respect of their services to the company (2019- £nil).

The company had no employees during the current or preceding year.

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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2019**

4. TANGIBLE ASSETS

The costs associated with creating the website have been capitalised and depreciation is over a 3 year period.

FIXED ASSET

	2019 £	2018 £
Balance at 1 April 2018	-	-
Additions	<u>8,925</u>	-
Balance at 31 March 2019	<u>8,925</u>	-
Accumulated depreciation		
Balance at 1 April 2018	-	-
Charge for the year	<u>(2,975)</u>	-
Balance at 31 March 2019	<u>(2,975)</u>	-
Net book value at 31 March 2019	<u><u>5,950</u></u>	-

6. DEBTORS

	£	£
Amounts owed by settlements	271,625	280,075
Other taxes and social security costs	5,100	-
Other debtors	4,394	3,952
Total	<u>281,119</u>	<u>284,027</u>

5. TAXATION

	2019 £	2018 £
UK corporation tax charge on profit for the year	<u>1,207</u>	<u>3,542</u>

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NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2019

7. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2019 £	2018 £
Amounts owed to parent undertakings	376,167	439,088
Other taxes and social security costs	9,694	-
Other creditors	285	545
Accruals	1,850	1,775
Total	<u>387,996</u>	<u>441,408</u>

8. ULTIMATE PARENT COMPANY AND CONTROLLING PARTY

In the opinion of the directors the ultimate parent company and controlling party of the company is The Royal Mencap Society, a company registered in England and Wales. The Royal Mencap Society heads the smallest and largest groups for which consolidated accounts are prepared. Copies of the group financial statements of The Royal Mencap Society may be obtained from Mencap, 123 Golden Lane, London EC1Y 0RT.

9. CONTINGENT FUNDING FACILITY

The Board of Royal Mencap Society approved a £100,000 contingent funding facility to Mencap Trust Company Ltd in 2012. This funding is available at the request of the directors of MTC Ltd and is there to underpin the financial stability of the Company if they ever deem its use necessary.