

Registered number: 01233201

MENCAP TRUST COMPANY LIMITED

(A company limited by guarantee)

REPORT AND FINANCIAL

STATEMENTS FOR THE YEAR

ENDED 31 MARCH 2023

MENCAP TRUST COMPANY LIMITED

(A company limited by guarantee)

OFFICERS AND PROFESSIONAL ADVISERS

DIRECTORS	Julia Abrey David Smith Mark Pearce Denise Padayachy (resigned on 16 th April 2023) Julian Spurling Margaret Ade-Onojobi Haley Tam (resigned on 13 th June 2022) Yogendra Amin Coral Romain (resigned 22 nd September 2022)
COMPANY SECRETARY	Stacy East
REGISTERED NUMBER	01233201
REGISTERED OFFICE	123 Golden Lane London EC1Y 0RT
INDEPENDENT AUDITORS	Crowe U.K. LLP 55 Ludgate Hill London EC4M 7JW 55 Ludgate Hill
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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MENCAP TRUST COMPANY LIMITED
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DIRECTORS' REPORT
FOR THE YEAR ENDED 31 MARCH 2023

The directors present their annual report and the audited financial statements for the year ended 31 March 2023.

Activities and results

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

MTC was set up to provide a trustee who would always be there for loved ones. 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 such as investment responsibilities that this entails.

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

MTC acts as sole trustee of trust funds held for people with a learning disability, autism and other vulnerabilities. MTC is operated as a not-for-profit organisation; it generated a surplus before tax of £133,195 in 2022-2023 (2021-2022 surplus of £53,726). This surplus was primarily due to cautious financial management during a challenging year for the economy and the need to build MTC's reserves to invest in systems and processes that will improve the efficiency of our services for beneficiaries. Against a backdrop of high inflation and market uncertainty, MTC took the decision to make a slight increase in our management fee. The impact of this, together with our close management of costs see us end the year with sufficient reserves to sustainably invest in our systems, processes and activities to benefit people with a learning disability or autism and their loved ones.

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 RMS 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.

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MTC provides its service through either a standard discretionary trust deed, a discretionary disabled person's trust deed, or a life interest trust deed made between the settlor of the funds and MTC. Each deed has its own named primary beneficiary and directions as to the devolution of any residual funds left on the death of the primary beneficiary i.e. 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 or autism. MTC informs those involved in the care of the primary beneficiary 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 provide support for. MTC also undertakes review visits so that the trust can be discussed directly with the beneficiary, key supporters and family, where appropriate.

The frequency of the review visits depends on personal circumstances such as the value of the trust fund and other considerations. Beneficiaries are visited in their own homes. Review visits are informal but structured. A review report is produced for each visit and is used by MTC to support its decisions as trustee. Visits are also scheduled when there is a significant change in a beneficiary's life.

Risks and uncertainties

MTC's principal risk is that it fails to manage each trust under the terms of its trust deed and in accordance with trust law. 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 person's trust.

Management of each trust is also achieved through delegation of certain specific trusteeship tasks to our expert professional partners: Investec, Deloitte and Golden Lane Housing.

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

- Investec Wealth & Investment as investment advisors to all trust funds via 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 in the capacity of tax advisors to ensure individual trusts are fully tax-compliant and all statutory returns are made.
- For some properties in trust, Golden Lane Housing Ltd acts as property manager and maintains physical trust property gifted to the trust.

As at 31 March 2023, MTC was actively managing 294 (2022 - 298) individual trusts with a financial value of £31.7 million (2022 - £31.9 million). During the 2022-2023 financial year, MTC arranged 143 (2022 - 105) individual review visits and processed 786 (2022 - 548) discretionary payment requests from beneficiaries.

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

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Future activities

The directors intend to continue to grow and develop the present activities of the company. A prudent approach to expenditure will continue given current uncertainties alongside sustainable investment in MTC's people, technology, processes and communication in order to improve the service we are able to provide to our current and future beneficiaries and their families.

Directors and their interests

The directors of the company, which acts as trustee for the settlements 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:

Julia Abrey (chair)

Julia Abrey is a solicitor and partner in Withers LLP in London heading its multi-jurisdictional capacity and Court of Protection team. She is a past chair of STEP's cross border Mental Capacity Special Interest Group and Solicitors for the Elderly, specialising in elder law. Julia has a particular interest in cross-border mental capacity matters and advises on estate planning in an international context. Julia is the only UK member of the US National Academy of Elder Law Attorneys Inc and a top rated Court of Protection practitioner in Legal 500 2022 and Chambers 2022. Julia is the chair of the Executive Committee of Withers Trust Corporation Ltd and has many years' experience in the administration of trusts.

David Smith

David retired in December 2018 after working for over 30 years for the Railways. David is a poet and a member of a local dramatic society and he participates on Mencap's radio show. David has Asperger's and is passionate about making a difference to the lives of people with a learning disability, having their best interests at heart.

Mark Pearce

Mark works for an international investment management firm and brings over 20 years of financial services experience to the Board. He previously headed up the charity investment team at a leading UK private bank and so aside from a deep knowledge of the current financial environment, he also has a sound understanding of the not-for-profit sector.

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Denise Padayachy (resigned 16th April 2023)

Denise is the Finance Director of Information Technology at Unilever PLC, and her main responsibilities are to act as the lead business partner to the IT function, representing finance in the IT Leadership Team and acting as finance business partner to the CIO as the business makes significant capital investments. Her expertise provides sound understanding of budget management and risk assessment.

Julian Spurling

Julian is the Managing Director at Care Tech and is a non-executive director with extensive experience and success in driving performance improvement and growth in Health & Social care services in the UK and across Europe. His specialties include strategy, leadership, change, growth and improvement.

Margaret Ade-Onojobi

Margaret is a social worker manager, a certified mentor and specialises in mental health. She is a Director for Barnabas Global and a School Governor. Some of Margaret's responsibilities include authorising assessments, support plans, carers assessments and funding panel applications, so she brings a wealth of knowledge about funding and care for people with learning disabilities and autism.

Haley Tam (resigned 13th June 2022)

Haley has over 20 years' experience as an investment professional in equity markets, as well as significant experience both as a charity trustee and advisory board member. She brings her skills in strategic, risk and investment analysis to the MTC board.

She is passionate about helping all people understand and safeguard their financial future and believes the Mencap Trust Company is uniquely placed to help people with learning disabilities, and their families, with this challenge. Haley's niece was born with 5p- ("Cri du chat") syndrome.

Yogendra Amin

Yogi is a senior partner at Irwin Mitchell and a legal specialist in the areas of human rights law, community care law and mental capacity law. He was a Trustee of the Independent Living Fund for over eight years. He is a Trustee of Royal Mencap Society and he fully supports the aims and objectives of Mencap Trust Company.

Coral Romain (resigned 22nd September 2022)

Coral is a senior leader and special educational needs consultant, a behaviour specialist and advocate. Coral's expertise is in leading and developing holistic educational and therapeutic services for children and young people with a range of Special Educational Needs up to 25. She holds qualifications in teaching, psychology, leadership and management, behavioural psychology and intellectual disability.

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DIRECTORS' REPORT
FOR THE YEAR ENDED 31 MARCH 2023

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.

DIRECTORS' REPORT
FOR THE YEAR ENDED 31 MARCH 2023

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 they 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.



Julia Abrey
Chair

Date 16/08/23

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Independent Auditor's 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 2023 comprising the profit and loss account, the balance sheet and notes to the financial statements, including significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

- give a true and fair view of the state of the company's affairs as at 31 March 2023 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

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

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the directors with respect to going concern are described in the relevant sections of this report.

Other information

The directors are responsible for the other information contained within the annual report. 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.

Our responsibility is to read the other information and, in doing so, consider whether the other

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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 this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Opinion on other 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 have 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 set out on page 8, 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

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free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists.

Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

We obtained an understanding of the legal and regulatory frameworks within which the company operates, focusing on those laws and regulations that have a direct effect on the determination of material amounts and disclosures in the financial statements. The laws and regulations we considered in this context were the Companies Act 2006 and Taxation legislation.

We identified the greatest risk of material impact on the financial statements from irregularities, including fraud, to be within the timing of recognition of income and the override of controls by management. Our audit procedures to respond to these risks included enquiries of management about their own identification and assessment of the risks of irregularities, sample testing on the posting of journals, reviewing accounting estimates for biases and reading minutes of meetings of those charged with governance.

Owing to the inherent limitations of an audit, there is an unavoidable risk that we may not have detected some material misstatements in the financial statements, even though we have properly planned and performed our audit in accordance with auditing standards. We are not responsible for preventing non-compliance and cannot be expected to detect non-compliance with all laws and regulations.

These inherent limitations are particularly significant in the case of misstatement resulting from fraud as this may involve sophisticated schemes designed to avoid detection, including deliberate failure to record transactions, collusion or the provision of intentional misrepresentations.

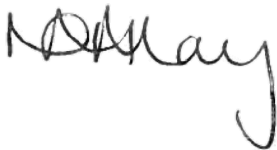
A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditor's report.

Use of our report

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

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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.

A handwritten signature in black ink, appearing to read 'Nicola May', with a stylized flourish at the end.

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

08/09/2023

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PROFIT AND LOSS ACCOUNT
FOR THE YEAR ENDED 31 MARCH 2023

	Notes	2023 £	2022 £
TURNOVER	3	749,734	598,471
Administrative expenses	4	(616,539)	(544,745)
		<hr/>	
PROFIT/(LOSS) ON ORDINARY ACTIVITIES BEFORE TAXATION		133,195	53,726
Provision for tax		(25,307)	(17,976)
		<hr/>	
PROFIT/(LOSS) ON ORDINARY ACTIVITIES AFTER TAXATION		107,888	35,750
PROFIT BROUGHT FORWARD		149,394	113,644
		<hr/>	
RETAINED PROFIT CARRIED FORWARD		257,282	149,394
		<hr/>	

All amounts relate to continuing operations.

The notes on pages 15-17 form part of these financial statements.

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BALANCE SHEET
AS AT 31 MARCH 2023

	Notes	2023 £	2022 £
ASSETS			
CURRENT ASSETS			
Debtors	5	131,475	127,626
Cash at bank		398,375	281,281
		<hr/>	
TOTAL ASSETS		529,850	408,907
CREDITORS: amounts falling due within one year	6	(272,568)	(259,513)
		<hr/>	
NET ASSETS		257,282	149,394
		<hr/>	
CAPITAL AND RESERVES			
		<hr/>	
Profit and loss account		257,282	149,394
		<hr/>	

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



Julia Abrey
Chair

Date 16/08/23

The notes on pages 15-17 form part of these financial statements.

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2023

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, have remained unchanged from the previous year/period and have 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 2023

3. TURNOVER

	2023	2022
	£	£
Annual trust management fees	493,465	450,332
Initial set up fees	17,786	13,105
Acceptance fees	9,583	7,283
Distribution fees	28,863	2,541
Unusual work fees	1,060	1,323
Review fees	25,740	18,900
Other income	63,237	-
	639,734	493,484
Third party taxation work recovered	110,000	104,987
	749,734	598,471

The annual trust management fees are based on the quarterly value of trust assets on 5th July, 5th October, 5th January and 5th April for the relevant year.

4. ADMINISTRATIVE EXPENSES

	2023	2022
	£	£
Management fees to parent undertakings	442,128	367,030
Audit fees	2,325	1,940
Other expenses	49,886	70,788
	494,339	439,758
Professional and legal fees	122,200	104,987
	616,539	544,745

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 2023

5. DEBTORS

	2023	2022
	£	£
Amounts owed by settlements	127,554	123,883
Other debtors	3,921	3,743
	<hr/>	<hr/>
Total	131,475	127,626
	<hr/>	<hr/>

6. CREDITORS:
AMOUNTS FALLING DUE WITHIN ONE YEAR

	2023	2022
	£	£
Amounts owed to parent undertakings	244,471	237,081
Accruals	2,580	11,787
Other creditors	210	437
Corporation tax	25,307	10,208
	<hr/>	<hr/>
Total	272,568	259,513
	<hr/>	<hr/>

7. 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.