

Registered number: 01233201

MENCAP TRUST COMPANY LIMITED

(A company limited by guarantee)

REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2017

MENCAP TRUST COMPANY LIMITED

(A company limited by guarantee)

OFFICERS AND PROFESSIONAL ADVISERS

DIRECTORS

Gary Gee
Lynn James-Jenkinson
Alan Jenkins
Heike Munro (appointed 25/1/2017)
Jean Spiteri
Laurie Todd (retired 15/8/2016)
Edward Wadsworth

COMPANY SECRETARY

Julie Schwarz TEP

REGISTERED NUMBER

01233201

REGISTERED OFFICE

123 Golden Lane
London
EC1Y 0RT

INDEPENDENT AUDITORS

Crowe Clark Whitehill 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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MENCAP TRUST COMPANY LIMITED

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DIRECTORS' REPORT FOR THE YEAR ENDED 31 MARCH 2017

The directors present their annual report and the audited financial statements for the year ended 31 March 2017. The financial statements 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.

Activities and results

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

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 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 £551 in 2016-17 (2015-16 £10,526). The surplus generated in 2016-17 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 towards this is 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 Person's 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 and key supporters. Supporters may be family, friends or staff and other professionals who are important to the beneficiary.

The frequency of the review visit depends on the value of the trust fund. Beneficiaries are visited in their

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DIRECTORS' REPORT FOR THE YEAR ENDED 31 MARCH 2017

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 Limited'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 Person's 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 (five core models at present) that best suits individual circumstances.
- 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 2017 MTC was actively managing 231 (2016 - 201) individual trusts with a financial value of £ 22.6 million (2016 - £18.9 million). During the 2016-17 financial year, MTC arranged 104 (2016 - 105) individual review visits and processed 727 (2016 - 644) discretionary payment requests from beneficiaries.

For more information about MTC visit www.mencap.org.uk/mencaptrustcompany

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 2017

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:

A Jenkins (Chairman)

Alan was a practising solicitor, and chairman of the international law firm Eversheds LLP until he retired in 2011. Alan is the Chairman of the Mencap Trust Company Board of Directors. He also sits on the boards of a number of other organisations. Alan has a daughter with a learning disability.

G Gee

Gary is currently a Wealth Manager with Coutts & 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 (appointed 25/1/2017)

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 leading global consultancy firm AlixPartners in 2016. Heike is a Fellow of the Institute of Chartered Accountants of England and Wales. 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.

L Todd (retired 15/8/2016)

Laurie was UK Director of Guinness Peat Group before he retired in 2014. Previous experience includes positions as Finance Director of quoted companies in the retail, publishing, construction and distribution sectors. He is a Fellow of the Institute of Chartered Accountants. Laurie has a daughter with a learning disability.

E Wadsworth

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.

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DIRECTORS' REPORT FOR THE YEAR ENDED 31 MARCH 2017

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.

Auditor

Crowe Clark Whitehill LLP have expressed their willingness to be reappointed as statutory auditor in accordance with Section 485 of the Companies Act 2006.

In preparing the directors' report, advantage has been taken of the small companies' exemption.

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



Alan Jenkins
Chairman

Date: 13 July 2017

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

We have audited the financial statements of Mencap Trust Company Limited for the year ended 31 March 2017, which comprise the Profit and Loss Account, Balance Sheet and the related notes set out on pages 7 to 11.

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.

RESPECTIVE RESPONSIBILITIES OF DIRECTORS AND AUDITORS

As explained more fully in the Statement of Directors' Responsibilities, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the FRC's Ethical Standard for Auditors.

Scope of the audit of the financial statements

A description of the scope of an audit of financial statements is provided on the Financial Reporting Council's website at www.frc.org.uk/auditscopeukprivate.

Opinion on financial statements

In our opinion, the financial statements:

- give a true and fair view of the state of the company's affairs as at 31 March 2017 and of its profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

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

Opinion on other matters 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 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 the Directors' Report.

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

- adequate accounting records have not been kept, 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' exemptions in preparing the directors' report and from the requirement to prepare a strategic report.

N. Hashemi

Naziar Hashemi
Senior Statutory Auditor

For and on behalf of
Crowe Clark Whitehill LLP
Statutory Auditor
London

Date: 1/11/17

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**PROFIT AND LOSS ACCOUNT
FOR THE YEAR ENDED 31 MARCH 2017**

	Note	2017 £	2016 £
TURNOVER	2	336,282	320,868
Administrative expenses	3	<u>(335,593)</u>	<u>(307,711)</u>
PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION		689	13,157
Provision for tax	5	<u>(138)</u>	<u>(2,631)</u>
PROFIT ON ORDINARY ACTIVITIES AFTER TAXATION		551	10,526
PROFIT BROUGHT FORWARD		<u>52,178</u>	<u>41,652</u>
RETAINED PROFIT CARRIED FORWARD		<u><u>52,729</u></u>	<u><u>52,178</u></u>

All amounts relate to continuing operations.

The notes on pages 9 to 11 form part of these financial statements.

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Company registration number: 01233201

**BALANCE SHEET
AS AT 31 MARCH 2017**

	Note	£	2017 £	£	2016 £
CURRENT ASSETS					
Debtors	4	257,221		242,414	
Cash at bank		<u>192,995</u>		<u>131,597</u>	
		450,216		374,011	
CREDITORS: amounts falling due within one year	6	<u>(397,349)</u>		<u>(319,202)</u>	
NET CURRENT ASSETS			<u>52,867</u>		<u>54,809</u>
TOTAL ASSETS LESS CURRENT LIABILITIES			52,867		54,809
PROVISIONS FOR LIABILITIES					
Provision for tax	5		<u>(138)</u>		<u>(2,631)</u>
NET ASSETS			<u>52,729</u>		<u>52,178</u>
CAPITAL AND RESERVES					
Profit and loss account			<u>52,729</u>		<u>52,178</u>
			<u>52,729</u>		<u>52,178</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



Alan Jenkins
Chairman

Date: 13 July 2017

The notes on pages 9 to 11 form part of these financial statements.

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NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2017

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

It is the policy of MTC to capitalise tangible assets costing more than £2,000. Depreciation is then 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 of cost

Depreciation commences once an asset has been brought into operation. Prior to the point that assets are brought into operation, 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 2017**

TURNOVER

	2017	2016
	£	£
Annual trust management fees	244,783	213,743
Third party taxation work recovered	48,870	44,560
Other Trust Fees	28,129	41,815
Initial setup fees	14,500	20,750
Total	<u>336,282</u>	<u>320,868</u>

The annual trust management fee is taken in 4 quarters and is based on the value of trust property at 5 July, 5 October, 5 January and 5 April in the relevant year.

3. ADMINISTRATIVE EXPENSES

	2017	2016
	£	£
Management fee to Royal Mencap Society	277,965	251,872
Professional and legal fees	48,870	47,835
Audit fees	1,740	1,710
Other expenses	7,018	6,294
Total	<u>335,593</u>	<u>307,711</u>

The directors did not receive any remuneration during the year in respect of their services to the company (2016- £nil).

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

4. DEBTORS

	2017	2016
	£	£
Amounts owed by settlements	241,899	224,073
Other taxes and social security costs	12,116	15,249
Other debtors	3,206	3,092
Total	<u>257,221</u>	<u>242,414</u>

5. TAXATION

	2017	2016
	£	£
UK corporation tax charge on profit for the year	<u>138</u>	<u>2,631</u>

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NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2017

6. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2017	2016
	£	£
Amounts owed to parent undertakings	381,985	255,232
Other taxes and social security costs	13,331	62,113
Other creditors	323	147
Accruals	1,710	1,710
Total	<u>397,349</u>	<u>319,202</u>

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.

8. CONTINGENT FUNDING FACILITY

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