

Registered number: 01233201

MENCAP TRUST COMPANY LIMITED
(A company limited by guarantee)

REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2016

MENCAP TRUST COMPANY LIMITED

(A company limited by guarantee)

OFFICERS AND PROFESSIONAL ADVISERS

DIRECTORS	Anne Crook (retired 2 July 2015) Gary Gee Lynn James-Jenkinson Alan Jenkins Jean Spiteri (appointed 16 July 2015) Laurie Todd 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 2016

The directors present their annual report and the audited financial statements for the year ended 31 March 2016.

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 is a professional trust company with its own independent board of 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 £10,526 in 2015-16 (2014-15 £1,436). The surplus generated in 2015-16 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)
- 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
- administer the trust and investments efficiently and prudently

MTC provides its service through a standard discretionary 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.

During 2015/16, MTC investigated, in the light of recent changes in the law, the desirability and practicability of offering to administer Disabled Persons Trusts. As a result of this investigation, we drafted and offered a standard Discretionary Disabled Persons Trust Deed. At 5th April 2016, we had 1 active Disabled Persons Trust and 4 inactive ones.

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.

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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 the standard trust deed. This is mitigated by following standard processes for receiving requests and making discretionary distributions. It 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 2016 MTC was actively managing 216 (2015 - 201) individual trusts with a financial value of £18.9 million (2015 - £18.4 million). During the 2015-16 financial year MTC arranged 105 (2015 - 86) individual review visits and processed 644 (2015 - 580) 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.

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.

A Crook (retired 2nd July 2015)

Ann was the mother of a profoundly learning disabled son now deceased. She was a medical researcher and then taught science for a number of years. Ann has been associated with Mencap for 50 years and had been a Mencap Trust Company Director for 10 years.

G Gee

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

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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.

J Spiteri (appointed 16th July 2015)

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

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.

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.

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**DIRECTORS' REPORT
FOR THE YEAR ENDED 31 MARCH 2016**

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.



Alan Jenkins
Chairman

Date: 14 July 2016

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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 for the year ended 31 March 2016, which comprise the Profit and Loss Account, Balance Sheet and notes to the accounts set out on pages 7 to 11.

The financial reporting framework that has been applied in their preparation is applicable law and FRS 102, The Financial Reporting Standard applicable in the UK and Republic of Ireland, applicable to smaller entities.

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 Auditors' 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 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. 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 Auditing Practices Board's Ethical Standards for Auditors.

Scope of the audit of the financial statements

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of: whether the accounting policies are appropriate to the company's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the directors; and the overall presentation of the financial statements.

In addition, we read all the financial and non-financial information in the Directors' Report to identify material inconsistencies with the audited financial statements and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

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 2016 and of its profit for the year then ended;
- have been properly prepared in accordance with FRS 102, The Financial Reporting Standard applicable in the UK and Republic of Ireland, applicable to smaller entities; 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 matter prescribed by the Companies Act 2006

In our opinion the information given in the Directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements.

Matters on which we are required to report by exception

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.

No. H. Hashemi

Naziar Hashemi
Senior Statutory Auditor

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

Date: *25/10/16.*

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**PROFIT AND LOSS ACCOUNT
FOR THE YEAR ENDED 31 MARCH 2016**

	Note	2016 £	2015 £
TURNOVER	2	320,868	274,521
Administrative expenses	3	<u>(307,711)</u>	<u>(272,726)</u>
PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION		13,157	1,795
Provision for tax	5	<u>(2,631)</u>	<u>(359)</u>
PROFIT ON ORDINARY ACTIVITIES AFTER TAXATION		10,526	1,436
PROFIT BROUGHT FORWARD		<u>41,652</u>	<u>40,216</u>
RETAINED PROFIT CARRIED FORWARD		<u>52,178</u>	<u>41,652</u>

All amounts relate to continuing operations.

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

MENCAP TRUST COMPANY LIMITED

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Company registration number: 01233201

BALANCE SHEET
AS AT 31 MARCH 2016

	Note	£	2016 £	£	2015 £
CURRENT ASSETS					
Debtors	4	242,414		207,362	
Cash at bank		<u>131,597</u>		<u>120,836</u>	
		374,011		328,198	
CREDITORS: amounts falling due within one year	6	<u>(319,202)</u>		<u>(286,187)</u>	
NET CURRENT ASSETS			<u>54,809</u>		<u>42,011</u>
TOTAL ASSETS LESS CURRENT LIABILITIES			54,809		42,011
PROVISIONS FOR LIABILITIES					
Provision for tax	5		<u>(2,631)</u>		<u>(359)</u>
NET ASSETS			<u>52,178</u>		<u>41,652</u>
CAPITAL AND RESERVES					
Profit and loss account			<u>52,178</u>		<u>41,652</u>
			<u>52,178</u>		<u>41,652</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: 14 July 2016

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

MENCAP TRUST COMPANY LIMITED

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NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2016

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.

These financial statements for the year ended 31 March 2016 are the first financial statements that comply with FRS 102 Section 1A – small entities. The date of transition is 1 April 2014.

The transition to FRS 102 Section 1A – small entities has not resulted in changes in accounting policies or adjustments to comparative information.

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 2016

TURNOVER

	2016 £	2015 £
Annual trust management fees	213,743	198,988
Third party taxation work recovered	44,560	40,875
Other Trust Fees	41,815	18,158
Initial setup fees	20,750	16,500
Total	<u>320,868</u>	<u>274,521</u>

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

3. ADMINISTRATIVE EXPENSES

	2016 £	2015 £
Management fee to Royal Mencap Society	251,872	224,515
Professional and legal fees	47,835	42,125
Audit fees	1,710	1,780
Other expenses	6,294	4,306
Total	<u>307,711</u>	<u>272,726</u>

The directors did not receive any remuneration during the year in respect of their services to the company (2015- £nil).

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

4. DEBTORS

	2016 £	2015 £
Amounts owed by settlements	224,073	199,898
Other taxes and social security costs	15,249	4,489
Other debtors	3,092	2,975
Total	<u>242,414</u>	<u>207,362</u>

5. TAXATION

	2016 £	2015 £
UK corporation tax charge on profit for the year	<u>2,631</u>	<u>359</u>

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NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2016

6. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2016	2015
	£	£
Amounts owed to parent undertakings	255,232	281,424
Other taxes and social security costs	62,113	2,516
Other creditors	147	345
Accruals	1,710	1,902
Total	<u>319,202</u>	<u>286,187</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 Ltd. 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.