

Registered number: 01233201

MENCAP TRUST COMPANY LIMITED
(A company limited by guarantee)

REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2015

MENCAP TRUST COMPANY LIMITED

(A company limited by guarantee)

OFFICERS AND PROFESSIONAL ADVISERS

DIRECTORS Anne Crook
Alan Jenkins
Laurie Todd
Gary Gee
Lynn James-Jenkinson
Edward Wadsworth (appointed 26 November 2014)

COMPANY SECRETARY Julie Schwarz

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

MENCAP TRUST COMPANY LIMITED

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CONTENTS

	Page
Directors' report	1 - 3
Independent auditors' report	4 - 5
Profit and loss account	6
Balance sheet	7
Notes to the financial statements	8 - 10

MENCAP TRUST COMPANY LIMITED

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DIRECTORS' REPORT FOR THE YEAR ENDED 31 MARCH 2015

The directors present their annual report and the audited financial statements for the year ended 31 March 2015.

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. MTC is a not for profit organisation; it generated a surplus of £1,436 in 2014-15 (2013-14 £9,296). The surplus generated in 2014-15 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 potentially 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 learning disability, 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 learning disability.

During 2014/15, MTC investigated, in the light of recent changes in the law, the desirability and practicability of offering to administer Disabled Persons Trusts. From April 2015 we are able to offer a Disabled Person's Trust deed.

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. 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.

MENCAP TRUST COMPANY LIMITED

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DIRECTORS' REPORT FOR THE YEAR ENDED 31 MARCH 2015

Risks and uncertainties

The Mencap Trust Company Ltd's principal risk is that it manages each trust under the terms of the standard trust deed. This is achieved 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 2015 MTC was actively managing 201 (2014 - 198) individual trusts with a financial value of £18.4 million (2014 - £17.7 million). During the 2014-15 financial year MTC arranged 74 (2014 - 76) individual review visits and processed 590 (2014 - 573) 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 Crook

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 has been a Mencap Trust Company Director for 10 years.

A Jenkins

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

G Gee

Gary is currently a Wealth Manager with one of the UK's most renowned Private Banks and has over 20 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.

MENCAP TRUST COMPANY LIMITED

(A company limited by guarantee)

DIRECTORS' REPORT FOR THE YEAR ENDED 31 MARCH 2015

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.

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
Chair

Date: *2 July 2015*

MENCAP TRUST COMPANY LIMITED

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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 2015, set out on pages 6 to 10. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (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 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 2015 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 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.

Naziar Hashemi (Senior statutory auditor)

for and on behalf of
Crowe Clark Whitehill LLP

St Bride's House
10 Salisbury Square
London
EC4Y 8EH

Date:

MENCAP TRUST COMPANY LIMITED

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**PROFIT AND LOSS ACCOUNT
FOR THE YEAR ENDED 31 MARCH 2015**

	Note	2015 £	2014 £
TURNOVER	2	274,521	273,307
Administrative expenses	3	<u>(272,726)</u>	<u>(261,687)</u>
PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION		1,795	11,620
Provision for tax	5	<u>(359)</u>	<u>(2,324)</u>
PROFIT ON ORDINARY ACTIVITIES AFTER TAXATION		1,436	9,296
PROFIT BROUGHT FORWARD		<u>40,216</u>	<u>30,920</u>
RETAINED PROFIT CARRIED FORWARD		<u><u>41,652</u></u>	<u><u>40,216</u></u>

All amounts relate to continuing operations.

There were no recognised gains and losses for 2015 or 2014 other than those included in the Profit and loss account.

The notes on pages 8 to 10 form part of these financial statements.

MENCAP TRUST COMPANY LIMITED

(A company limited by guarantee)
REGISTERED NUMBER: 01233201

BALANCE SHEET
AS AT 31 MARCH 2015

	Note	£	2015 £	£	2014 £
CURRENT ASSETS					
Debtors	4	207,362		205,736	
Cash at bank		<u>120,836</u>		<u>95,375</u>	
		328,198		301,111	
CREDITORS: amounts falling due within one year	6	<u>(286,187)</u>		<u>(258,571)</u>	
NET CURRENT ASSETS			<u>42,011</u>		<u>42,540</u>
TOTAL ASSETS LESS CURRENT LIABILITIES			42,011		42,540
PROVISIONS FOR LIABILITIES					
Provision for tax			<u>(359)</u>		<u>(2,324)</u>
NET ASSETS			<u>41,652</u>		<u>40,216</u>
CAPITAL AND RESERVES					
Profit and loss account	10		<u>41,652</u>		<u>40,216</u>
			<u>41,652</u>		<u>40,216</u>

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



Alan Jenkins
Chair

Date: 2 July 2015

The notes on pages 8 to 10 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 2015

1. STATUS

The company is limited by guarantee and has no share capital. 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 Companies Act 2006 and applicable United Kingdom accounting standards. The particular accounting policies adopted are described below:

Accounting convention

The financial statements are prepared under the historical cost convention.

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.

TURNOVER

	2015	2014
	£	£
Annual trust management fees	198,988	190,981
Third party taxation work recovered	40,875	43,540
Initial setup fees	16,500	15,000
Other Trust Fees	18,158	23,786
Total	<u>274,521</u>	<u>273,307</u>

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

MENCAP TRUST COMPANY LIMITED

(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2015**

3. ADMINISTRATIVE EXPENSES

	2015 £	2014 £
Management fee to Royal Mencap Society	224,515	206,827
Professional and legal fees	42,125	43,640
Audit fees	1,780	1,640
Other expenses	4,306	9,580
Total	<u>272,726</u>	<u>261,687</u>

The directors did not receive any remuneration during the year in respect of their services to the company (2014- £nil).

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

4. DEBTORS

	2015 £	2014 £
Amounts owed by parent undertaking	-	-
Amounts owed by settlements	199,898	200,192
Other taxes and social security costs	4,489	2,702
Other debtors	2,975	2,842
Total	<u>207,362</u>	<u>205,736</u>

5. TAXATION

	2015 £	2014 £
UK corporation tax charge on profit for the year	<u>359</u>	<u>2,324</u>

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NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2015

6. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2015 £	2014 £
Amounts owed to parent undertakings	281,424	246,191
Other taxes and social security costs	2,516	10,190
Other creditors	345	585
Accruals	1,902	1,605
	<u>286,187</u>	<u>258,571</u>

7. RELATED PARTIES

The company has taken advantage of the exemption within Financial Reporting Standard 8 "Related Party Disclosures" for wholly owned subsidiaries, not to disclose transactions with group companies.

8. CASH FLOW STATEMENT

The company has taken advantage of the exemption from preparing a cash flow statement under Financial Reporting Standard FRS 1 (revised 1996) "Cash flow statements".

9. 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.

10. RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' FUNDS

	2015 £	2014 £
Retained earnings brought forward	40,216	30,920
Result for the year	1,436	9,296
Closing shareholders' funds	<u>41,652</u>	<u>40,216</u>

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.

