



A world where people with a learning disability are valued equally, listened to and included.

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Reference and administration details

The trustees of Royal Mencap Society are the charity's trustees under charity law and the directors of the charitable company.

Trustees

Derek Lewis, Chair (appointed 23 July 2014)
 Geoff Alltimes
 Janet Brown
 Professor Richard Hastings (resigned 17 April 2015)
 Katie Hollier
 Stephen Jack OBE
 John Phillips MBE
 Kate Quail (resigned 16 October 2014)
 Linda Redford
 Colin Rogers (resigned 23 July 2014)
 George Venus
 Graham Williams
 Fred Worth (resigned 16 October 2014)

President

The Lord Rix Kt CBE DL

Vice presidents

Sir George Bull Kt
 Barrie Davis
 Dame Pauline Harris DBE
 Alan Hill
 Michael Mackey MVO BEM
 Dame Norma Major DBE
 Leslie Wooster
 Brian Baldock CBE
 Lord Wigley
 Alan Yarrow

Administrative details

The full name of the charity is Royal Mencap Society. The registered charity number is 222377 (England and Wales) and SC041079 (Scotland)

The company registration number is 550457. Registered office: 123 Golden Lane, London, EC1Y 0RT. Company secretary: Oonagh Smyth, director of governance and strategy (appointed 15 April 2013)

Chief executive: Janine Tregelles.
 The day-to-day management of the charity is delegated by the trustees to the chief executive Jan Tregelles and her executive team

Independent auditor: Crowe Clark Whitehill LLP, St Bride's House, 10 Salisbury Square, London, EC4Y 8EH

Bankers: Barclays Bank Plc, Level 28, 1 Churchill Place, London, E14 5HP

Solicitors: Laytons, Carmelite, 50 Victoria, Embankment, Blackfriars, London, EC4Y 0LS

Investment managers: Aberdeen Asset Management, Bow Bells House, 1 Bread Street, London, EC4M 9HH and Investec Wealth & Investment Limited, Unit 4, The Billings, 3 Walnut Tree Close, Guildford, GU1 4UL.

An introduction to learning disability

About Mencap

We are the UK's leading learning disability charity. We trace our origin back to 1946 and a mother named Judy Fryd whose daughter had a learning disability. Judy wrote a letter to Nursery World magazine inviting other parents to contact her and many wrote back expressing their sorrow and anger at the lack of services for their children. From here Mencap was born.

What do we do?

We provide high-quality personalised support and advice for people with a learning disability and their families, and together we campaign for an equal society. Our direct support services encompass advocacy, health, education, housing, leisure and employment, helping people live the lives they choose here and now.

We fight for a more equal future, by challenging prejudice, lobbying the government and drawing national attention to the things that urgently need to change.

Objects

The objects of the charity as stated within the Memorandum & Articles of Association are the relief of people with learning disability, their families, dependents and carers in need and prevention of the same such relief by any and every means.

Our vision & mission statement: What do we want to see?

A world where people with a learning disability are valued equally, listened to and included.

We are determined to achieve this by changing attitudes, providing services and influencing those who can help us change the lives of people with a learning disability.

Structure, governance and management

Structure

Royal Mencap Society is a company (registration number 550457) limited by guarantee and a registered charity regulated by the Charity Commission (registered number 222377) and with the Office of the Scottish Charity Regulator (registered number SC041079).

The results of the subsidiaries of the Royal Mencap Society Group are disclosed in Note 10 of the Accounts. A brief description of each subsidiary is as follows:

Golden Lane Housing (GLH)

GLH is an independent charity with its own independent board of trustees. It specialises in finding suitable homes for people with a learning disability.

GLH was launched by Royal Mencap Society in 1998 and helps people with a learning disability in England and Wales choose their own homes and become tenants. It also gives information, advice and guidance to hundreds of families every year.

For more information on GLH and what it does, call 0845 604 0046 or go to glh.org.uk

Mencap Trust Company Limited (MTC)

MTC was established in 1976 to lessen the worry parents have for a vulnerable family member. In that time it has helped over 2,000 families set up trusts. MTC currently manages around 200 discretionary trusts for people with a learning disability with over 650 trust deeds awaiting activation.

MTC works in partnership with investment, tax and legal experts to provide a professional service, managing trusts for people with a learning disability. For more information about Mencap Trust Company, go to www.mencap.org.uk/mencaptrustcompany

The Adcare Foundation Limited

The AdCare Foundation is a registered charity established in 1985 and a subsidiary of the Royal Mencap Society with its own independent board of trustees. It historically provided funds for people with a learning disability and was funded by voluntary donations. After a review, it was decided that the activities would be run more efficiently if transferred into the Royal Mencap Society. This transfer was completed in the year and The Adcare Foundation ceased trading on 31 October 2014. It is anticipated that the company will be formally struck off at Companies House in the first half of 2015/16.

Mencap Limited

Mencap Limited is a trading subsidiary which sells merchandise via a catalogue.

Mencap Promotions Limited

Mencap Promotions Limited is a trading subsidiary which manages promotional and other sponsored events.

Blue Sky Housing

Blue Sky Housing is a dormant property development subsidiary.

Governance

Royal Mencap Society is committed to maintaining the highest standards of governance and has determined that the organisation should comply with the principles outlined in the Code of Governance for Voluntary Organisations, which is approved by the Charity Commission.

Ultimate responsibility for governance of Royal Mencap Society is entrusted to the trustee board made up of up to 12 trustees and the chair. Following an EGM in October 2014, some changes were made to our governance so that all our trustees will now be appointed. We are committed to using an open and transparent recruitment process and a newly established Nominations Committee will assess and recommend new trustees. As set out in the Articles of Association, at least half of our trustees have personal or professional experience of learning disability. Trustees are appointed for a four-year term of office and can serve two terms in total. The trustees are also our Company Act Members.

For new trustees, Royal Mencap Society has a wide-ranging induction programme. This is also offered to committee members and other trustees throughout

the year. The programme includes visits to some of our services, meetings with the chief executive and chair on our governance, strategy, the role and duties of trustees, company and charity law and the management of finances and risk. Further training and development is offered individually or to the board as a whole as required.

New trustees are given a Governance Handbook which outlines the main policies and the governance structure of Royal Mencap Society. The handbook uses the Governance Code as a framework.

Management

There are clear distinctions between the role of trustees and the executive team. The board of trustees holds a range of reserved matters and delegates certain authority to the executive team in order to run the organisation efficiently. Matters such as policy, strategy and budgets are prepared by the executive team for consideration and approval by the trustees, who then monitor the implementation of these plans.

There are a number of board committees with clear terms of reference and role descriptions for members. They have elected members and co-opted members who are appointed for their particular skills and knowledge.

The committees include:

- Audit and assurance - which monitors the control and risk management systems, assures trustees of risk management and monitors and reviews the effectiveness of the internal and external audit functions
- Finance - which monitors the organisation's financial results and policies
- Nominations, employment and remuneration - which approves our reward strategy, oversees all senior management award proposals, recommends salary and benefits for the chief executive and oversees trustee skills audits and recruitment.

All of the committees have clear terms of reference which are reviewed annually. The minutes of the meetings are made available to all trustees on a timely basis. The committees meet at least once a quarter.

Senior salaries

Working in this sector, we believe it is important to

be transparent about the pay levels of our senior colleagues and how we set those salaries. We are committed to working closely with National Council for Voluntary Organisations (NCVO), Association of Chief Executives of Voluntary Organisations, (ACEVO) and others in ensuring there are high standards across the sector in regard to this.

Our executive team salaries at March 2015 were as follows:

Role	Salary
Chief executive	139,091
Chief financial officer	121,200
Director of direct services	99,990
People director	86,000
Director of quality	86,000
Director of governance and strategy	86,000

A new role, Director of Marketing & Engagement has been created which it is anticipated will be filled in 2015/16.

Our senior reward approach encompasses two main factors:

- Internal job evaluation which is weighted by the distinct elements of roles and allows for internal comparison of roles within different job families; e.g. operational management, business support, fundraising, etc
- External pay benchmarking via the use of market data taken from sector pay surveys and reports.

We generally use the market median in the charity sector as rule of thumb for setting salaries, however, some flexibility is applied to take into consideration the specific requirements for each post and to ensure we can recruit the best candidate possible to meet the needs of our beneficiaries.

All senior staff receive ongoing performance management and an annual feedback report and appraisal which provides feedback from the chief executive, their peers and teams about how they have contributed to the achievement of our strategy and any personal development areas they may have.

Volunteers

During the year, Mencap had 599 volunteers. Volunteers are used across a range of activities, for example we had:

- 211 participating in Fundraising
- 167 across a range of projects run by our External Relations & Communities Teams and
- 88 working assisting across our Direct Services and Helpline.

Employee involvement and employment of people with a disability

More than ever, colleagues are involved in shaping strategy and asked for their views on what we should be doing for people with a learning disability, as well as how we can make this organisation a great place to work.

In the last year, colleagues have been involved in:

- electing peer representatives in national and business unit consultative forums
- participating in key questionnaires and focus groups
- engagement sessions with our chief executive, which delve into our strategic activities
- contributing to the development of new human resource
- utilising their direct experience of learning disability – as media spokespeople, campaigners and trainers.

We have a range of detailed human resource policies to support our charitable and business objectives which are reviewed regularly and ensure compliance with employment legislation.

In accordance with our diversity policy, Royal Mencap Society has long-established fair employment practices for the recruitment, retention and training of staff with disabilities.

As of 31 March 2015, there were 234 people with a declared disability on Mencap's payroll, including 78 people with a learning disability. Inclusion is very important to us and Mencap is focusing on expanding opportunities for employees to inform and influence the successful evolution of the organisation.

Strategic report

2014/5 Our performance

Aim 1: Improve the lives of people with a learning disability

The key influencer to improving lives for people with a learning disability is changing attitudes, which in this year we have tried to address in the following key areas:

- 1.1 Challenge negative perceptions of learning disability, as this is an underlying cause that impacts the support people receive i.e healthcare
- 1.2 Raise learning disability issues up the political agenda, so that we can see changes in policy positively impacting people with a learning disability
- 1.3 Grow our services, so we have more reach and can impact directly the lives of more people
- 1.4 Measure the difference we make, so that we know in what way we are making an impact and this informs what we do in the future.

How we did

1.1 Challenging negative perceptions

A lack of understanding and awareness of learning disability contribute to many of the inequalities that people with a learning disability face every day every day.

While attitudes have improved substantially over the last hundred years, people with a learning disability are still frequently excluded from and ignored in aspects of life that most of us take for granted, including; education, employment, when accessing healthcare and social pursuits. Often, this discrimination can be life threatening.

Improving attitudes towards people with a learning disability is a long-term aim for Mencap. We know we have to work on changing negative public attitudes

through campaigning and tailored communications work, whilst continuing with the delivery of high quality support services to the people who need help here and now.

This year we have worked on changing attitudes in a number of ways:

- **By working with professionals to improve their skills and understanding of learning disability**
 - Health professionals
 - Criminal Justice professionals
- **Raising awareness of learning disability among politicians and decision makers through**
 - Our general election campaign (Hear My Voice)
 - Me and My Vote
 - Our communications and PR work
 - Raising specific policy issues such as Assessment and Treatment Units
- **Supporting more people with learning disability to:**
 - Get into employment
 - Live in their community
 - Take part in leisure activity in their community through the Gateway Awards, Gateway Beacon, Me Time project and our Visiting Service.

Educating and training professionals

We know from research that one of the key ways to change attitudes is to increase the frequency and type of contact people with a learning disability have with those without. We do this through working with people who are most likely to come into contact with people with a learning disability, such as healthcare, education and criminal justice professionals.

This year we have made huge strides to improve the skills and understanding of professionals towards people with a learning disability in order to meet every need and offer truly equal services.

Healthcare professionals

People with a learning disability have poorer physical and mental health than the general population. These inequalities start early in life and they continue into adulthood. They are significantly due to the difficulties

that people with a learning disability face in accessing timely, appropriate and effective health care.¹

While there has been an increase in attention to the health needs of people with a learning disability (Department of Health 2001, 2009) there are still significant barriers resulting in inequalities. One significant barrier is the awareness of healthcare staff.

One of the ways in which we have tried to remove this barrier is through Getting it Right from the Start (GIRFTS). This is our volunteer-led project which better equips medical professionals to make reasonable adjustments to primary care services for people with a learning disability. The aim was to ensure an improved quality of service at GP practices for people with a learning disability.

We trained 80 volunteers (40 with a learning disability) to work across four Clinical Commissioning Groups and visit GP surgeries, deliver workshops to staff, and provide practical suggestions and support to help introduce new reasonable adjustments.

The project delivered:

- 718 medical staff across 72 GP surgeries attended the workshops and not only did they make reasonable adjustments, but the staff also developed to meet the health needs of people with a learning disability.
- 78% of staff said they knew little or nothing about learning disability before the workshops. 97% said they understood the issues after attending the workshops.

All the surgeries involved planned to make significant changes to their service to improve the experience of visiting a GP for people with a learning disability.

Professionals in the criminal justice system

Research by The Prison Reform Trust shows that up to 7% of prisoners have a learning disability (IQ under 70) and another 25% have an IQ under 80.² Also, prisoners with a learning disability are five times more likely than other prisoners to experience control and restraint, three times more likely to be segregated and three times more likely to have depression or anxiety.

Raising Your Game was a five-year pilot project running from 2009-2014, funded by the Big Lottery and in partnership with ICAN and Nacro. The project worked with young people with a learning disability aged 14-25 who have offended or were at risk of offending.

The project provided training and life skills to young people and professionals within the criminal justice system to create greater awareness of learning disability.

As a result of the project:

- 48% of young participants completed accredited My Life courses
- over 300 participated in Community Impact Projects (CIPs) and 2,668 took part in positive activities resulting in increased employability and life skills.

1.2 Raising awareness of among politicians and decision-makers

Politicians and the media are so important for making sure that the systems supporting people with a learning disability work and value every individual equally. We have always worked closely with decision makers at Westminster to make sure that the voices of people with a learning disability are heard.

This year we launched our largest ever political campaign, Hear my voice, which aimed to influence national policy and raise the public profile of learning disability with targeted media work.

A key way to influence decision makers is to exercise your democratic right to vote. So we also worked to increase the number of people with a learning disability and their families participating in politics and voting in the election.

Hear my voice: General Election campaign

The first set of Hear my voice activism events took place with Andy Burnham and Ed Balls in October 2014. The majority of attendees at all events were people with a learning disability. This meant we were immediately well-placed to achieving our biggest aim: to engage people with a learning disability and their families in the general election, encouraging and equipping them to lobby their candidates and have their voices heard.

¹ (Emerson & Baines 2010).

² <http://www.learningdisabilities.org.uk/content/assets/pdf/resources/criminal-justice-system.pdf>

It is too early to know the real impact our campaign had on the policy arena but we can report a number of successful outputs:

- We held activism events in at least 50 identified target seats
- Over 50 hustings events took place, attended by over 2,000 people with a learning disability- including events with the Deputy Prime Minister, senior ministers and shadow ministers.

As a result of these activities:

- 3,680 more people supported our monthly e-actions on specific Hear my voice issues, including health, early years, education and Winterbourne View.
- 380 prospective parliamentary candidates supported the campaign (of these, 98 were elected as MPs in the 2015 Election)
- 1,736 had supported our original data capture showing support for the campaign
- 862 people shared their personal story with their candidates (691 of these were public on the microsite).³

Me and my vote

Me and my vote is a Cabinet-funded project launched in 2004, designed to encourage people with a learning disability to register to vote and have an influence on the key decisions that shape their lives.

This year we:

- delivered 150 events across the country reaching over 4,000 people
- gave evidence to the Political and Constitutional Reform Committee.

As a result of this activity:

- 1,715 extra people registered to vote
- 8,361 people signed the electoral register
- It was recommended that the government and the electoral commission urgently look at tackling barriers to voting for disabled people.

In the media

The media is a key way to reach the public and policy makers in order to raise awareness of learning disability and also to have people with a learning disability more visible in our society.

Our media coverage has increased by 35% compared to last year, with a 52% increase in the amount of national coverage we have received. There was also a 39% increase in our coverage featuring people with a learning disability, which is a major on-going focus for Mencap.

Overall Mencap achieved 2,793 pieces of media coverage across broadcast, online and in print during 2014/15.

Our election campaign Hear My Voice received widespread coverage throughout the year with 168 pieces of coverage, whilst our on-going Winterbourne View campaign secured significant attention with 278 pieces of coverage and 46 of these being in national outlets.

Assessment and treatment units (ATUs)

We have been working for many years on getting a number of Assessment and treatment centres closed down. The catalyst for this work was the case of the abuse at Winterbourne View, one clear example of the reality and impact of negative attitudes towards people with a learning disability.

In 2012 the Winterbourne View abuse was exposed on BBC's Panorama programme. After a public outcry, the government review said that people should be moved out of such units and receive personalised care in appropriate community settings.

Royal Mencap Society has worked closely with many partners to make sure that this happens but to date we have not been as successful as we would have hoped.

- NHS England agreed to drive forward a closure programme of ATUs.
- However, we continue to see more people with a learning disability being admitted to ATUs than returning home to live in the community.

³ All figures are as recorded on 31 March 2014.

1.3 Supporting more people with a learning disability

People with a learning disability sometimes need support to be more visible and in contact with their communities. This support might be provided to the individual or it might be support to increase opportunities, for example; for social contact and employment.

This year, Mencap has done a lot of work in this area.

Support into employment

Of the 1.4 million people in the UK with a learning disability, 65% can and want to work but only 7% of these people are in paid employment. This decreases the opportunity for people with a learning disability to come into contact with other people in their community and can have an impact on their feelings of worth and value.

In 2014/15 we worked with over 200 employers to support 507 people with a learning disability into a paid job. This is the highest number of jobs in any given year since the start of our employment services in 1974.

In Northern Ireland we supported more than 600 people with a learning disability to experience the world of work with a range of employers across all sectors every year.

Support for leisure activity

The Gateway Award is an award for people with a learning disability to encourage them to gain new skills and experience, become more independent, make friends, be active and visible in their community and improve health and wellbeing. This year we had 394 people participate in the award.

As a result:

- 35% reported that they take part in activities with other people at least once a week with a further 45% taking part in activities with other people at least once a month.
- 84% of participants felt more independent upon completing the gateway award.
- 88% of participants felt that they had developed

new skills and are leading a healthier lifestyle as a result of doing the Gateway Award.

Support to live the way you choose

We provide support services to help people with a learning disability and their families live the way they choose, both at home and in the community here and now. These services are vital to enabling people with a learning disability to live well within their communities, to be visible and real members of those communities.

- We now support 5,412 people, an increase of 198 on the previous year.⁴
- In partnership with Golden Lane Housing, (GLH) we have provided housing to 57 people through the social investment bond and 31 through our Great Tenants scheme. GLH now has 1,567 tenants across the country.

In order to make the difference to people's lives that we want to make it is important that these services are of a very high quality. This year 96% of our services achieved full regulatory compliance with the Care Quality Commission (CQC) and 100% of the Care and Social Services Inspectorate Wales (CSSIW). This achievement makes us one of the top providers for being fully compliant with the standards.

In Northern Ireland our services have achieved 100% compliance with the Regulation and Quality Improvement Agency (RQIA).

1.4 Measuring the difference we make

Every year we support thousands of people with a learning disability and their families by providing day-to-day personal support, facilitating access to a range of community activities, and campaigning to change policy and practice.

Just like many other charities, we have started to look for better ways to measure and communicate the difference that we make to the lives of people with a learning disability and their families. As part of this, we have started building our capability to plan, capture and articulate the impact of our work, and started developing an organisational outcomes framework to measure the difference that we make.

⁴ This excludes people supported in the projects or employment.

This will help us improve what we do and how we do it.

Aim 2: Reduce inequality for families of people with a learning disability

We feel it's important that we strengthen the support we give to families and reduce the inequalities they face.

2.1 develop new areas of work to reduce inequalities

2.2 be able to articulate and measure the difference we make

This year, our evidence review identified four major inequalities that families with a learning disability experience; economic, social, participation and health. Limited understanding of learning disability, and negative attitudes towards people with a learning disability within these four fields are integral to many of these inequalities.

Improving attitudes towards people with a learning disability is a fundamental part of changing society so that the discrimination that families with a learning disability experience is as unacceptable as racial or sexual discrimination.

How we did

2.1 New areas of work

Our research has shown us that the inequalities people with a learning disability and their families experience often have their roots very early in life – right from the time that they are born and even before. It is therefore crucial to give children with a learning disability and their families the best start to life that we can.

There is good evidence that early intervention can positively affect people's lives by developing communication skills, giving families the tools to support children exhibiting behaviour that challenges and reducing the incidence of anxiety and other mental health issues. Support and intervention in this period can have a significant effect on a child's future and can contribute to reducing a range of inequalities. The earlier children with a learning disability get support, the more likely they are to fulfil their potential.

A new Children and Families Centre

This year we have made a big investment in a new Children and Families Centre for early years support in Northern Ireland. The centre will allow us to better support families and understand the barriers they face with accessing early intervention services for their children with a learning disability. We can then develop a programme of influencing work to influence mainstream provision and develop other ways to improve early years' provision.

The £4.6 million centre will bring the therapeutic care, information and support children with a learning disability and their families need under one roof.

Plans are moving ahead quickly and we are looking forward to moving into the new building at the beginning of 2016.

We launched our Big Step Forward Appeal in October 2014 to help us raise the £1.7 million needed to build, equip and run the new centre. So far we have raised £1.2 million with 500,000 to go.

Parent Pioneers

Parent Pioneers is a project that is creating a programme offering specialist support for new parents with a baby with a learning disability. The programme is called Mellow Futures, and is aimed at women who are pregnant and for parents with babies under two years.

Parents attend two intensive groups over a nine-month period, focusing on their parenting skills and the wellbeing of themselves and their child. Volunteer parenting mentors give ongoing support to the parents during the programme, by visiting their houses weekly to reinforce the course learning and to help them adapt to changes in their growing child's needs. The target of the project was for parents to report that they have improved parenting skills.

At the end of the project 24 families with a learning disability took part. We are awaiting the results.

Bags of Ability

Bags of Ability runs sensory storytelling workshops for parents of young children with a learning disability.

We have reached 462 families to date.

This year we have trained 338 professionals in the early years and education sectors to have an increased awareness of learning disability. We surpassed our target of 200 professionals.

Our results using data until December 2014 reported that 86% reported that their confidence with sensory storytelling to support the children with a learning disability has increased to 'very good' and 'not very good' reduced to zero. Our results show that the project is significantly improving the skills and confidence of early years professionals in these areas.

Aim 3: Build a sustainable Royal Mencap Society

Well-run and sustainable so we can make the changes we want to see

- 3.1 better understand how to deliver our strategy
- 3.2 be informed by evidence
- 3.3 improve partnerships
- 3.4 improve our financial sustainability

How we did

3.1 Better understand how to deliver our strategy

Our Big Plan

On 29 January 2015, we launched Our Big Plan across hundreds of locations in England, Wales and NI, with a day of celebration bringing together colleagues and individuals, families and carers. The plan sets out five clear strategic priorities, a new set of values and the capabilities and behaviours which will align a way of working at Mencap to help us achieve our objectives.

'One Mencap' is now part of the organisational language at Mencap and is how we are beginning to describe a move to working collaboratively in everything we do.

Our new strategic priorities

Our Big plan is divided into five priorities. These are the areas of life we want to have the biggest impact on, the areas where there is the most need to see change for the better.

Our Big plan shows how we intend to do this by breaking down our mission into five priorities:

1. Raising awareness and changing attitudes
2. Making a difference to the lives of people with a learning disability here and now
3. Supporting friendships and relationships

4. Improving health for people with a learning disability
5. Giving children the best start in life.

3.2 Be informed by evidence

A plan for improving Mencap's evidence-informed working that will enable greater understanding across Mencap of the needs of people with a learning disability has been driven through the strategic development work. It has used the inequalities evidence base and has informed workshops with 100 internal employees and our organisational-wide conversation in October 2014.

Quality Assurance Framework

In 2014 we developed our What Matters Most framework which seeks to increase the expectations of the people we support and improve their quality of life.

We believe that every person we support has a right to expect the highest level of quality in the service they receive and the approach that we have developed shifts the focus from measuring service quality to a measurement based on the outcomes that individuals achieve.

Inclusion

In 2014 we established arrangements to formally engage with people with a learning disability in agreeing priorities for greater inclusion. We established two regional groups with a view to establishing three more. Group representatives met with the leadership team to agree the priorities that Mencap will develop over the next three years.

3.3 Improve partnerships

This year, in our mission for a fairer and more inclusive society, we have worked hard to form influential partnerships that will raise awareness of the barriers people face in daily life and enable a healthier social life, improved physical and mental health and general wellbeing.

Fundraising partnerships

Ulster Rugby fans and supporters have been supporting Mencap's Big Step Forward appeal in Northern Ireland after the team chose Mencap to be the team's Official Charity Partner for the 2014/15 Season.

In March 2014 we secured a corporate partnership with Land Securities as their charity of the year.

We delivered 33 learning disability awareness sessions to 414 people. This means that more people will understand what a learning disability is and what issues people with a learning disability encounter daily. We also hope that in the long term this will have a positive impact on the number of employers willing to recruit people with a learning disability.

We worked locally to support fundraising and awareness raising events involving our community networks.

Affiliated groups and other organisations

Through the development of our community networks and the engagement and delivery of key projects such as Me and my vote sessions, information events and high profile community school events such as St Peters and Millfield we have engaged with a much greater number of our existing affiliated groups and developed relationships with a large number of new external organisations. This gives us a much greater opportunity/ network through which we can raise awareness and change attitudes.

Working as 'One Mencap' we aim to encourage full collaboration with our existing affiliated groups and to build a relationship based on trust and true partnership working. We will also continue to grow our networks to share resources and involve external groups to achieve a greater impact and louder voice.

Inclusive Sport (ISP)

The Inclusive Sport Project works to establish partnerships between Mencap, Special Olympics Great Britain (SOGB) and National Governing Bodies (NGBs) of sport to help them become inclusive for people with a learning disability. The project includes workshops, consultancy, action planning and pilot projects to increase participation at a local level.

- We have exceeded the target and are currently working with 16 NGBs on a range of strategic and operational pieces of work.
- 44 sports pilot projects have taken place with local groups and services across the country.
- We secured a further £403,000 from Sport England to deliver the next phase of our three-year Inclusive Sport project in partnership with SOGB, until November 2017.
- In November, the English Learning Disability Sports Alliance (ELDSA), the alliance between Mencap and SOGB, was formally launched at the Copperbox Event.

Improving health for people with a learning disability

We worked closely with the Department of Health during the year and we were approached by them to offer placements to senior managers across the department. The Employment teams in West Yorkshire and London set these up and allowed a range of DoH senior managers the chance to shadow staff, meet people with a learning disability in work, meet families and employers and gain a greater understanding of the needs of people.

3.4 Improve our financial stability

We met with officials at the Treasury and colleagues at Golden Lane Housing (GLH) about scaling up the GLH bond through the UK Infrastructure Fund and submitted detail to them. In 2014, through Retail Charity Bond plc, we launched the first ever charity bond to be listed on the London Stock Exchange. This raised £11m in eight days. Trading on the floor of the London Stock Exchange was opened by two GLH tenants, supported by Mencap, on the day that the bond was admitted for trading, which is a first for anyone with a learning disability. By March 2015, GLH had spent over just under half of the £11m, providing housing for 57 tenants supported by Mencap, with a strong pipeline to utilise the rest of the money during 2015.

The impact of the bond has been externally assessed by Just Economics. This report, which has been published by the Social Stock Exchange, shows that the move to a bond property has been a new lease of life with tenants reporting increasing self-confidence, wider social networks, more involvement in the local community and learning new skills. Parents of the tenants reported significant improvements in their mental health.

The sale of Mencap's three colleges was completed in June 2014 (see note 23) for a total consideration of £7m. £1.9m of the proceeds has been set aside in order to make one off deficit reduction payment against the Defined Benefit Pension Scheme in 2015/16, thus reducing future liabilities.

For further information on our financial performance, please see the "Financial Review" section.

Looking ahead to 2015/16

Mencap has just agreed new strategic priorities. They remain at a high level while we seek to really understand the underlying issues and the context but we have established ambitions from now until our 100th birthday and for the next five years.

Raising awareness and changing attitudes

What change do we want to see?

By 2046, we want to see every single person with a learning disability being treated equally and with respect. If we're to get there, we need to see significant, measurable changes to attitudes in the public domain over the next five years.

In the next five years we will have:

- a good understanding of people's current attitudes towards people with a learning disability at a national level
- segmented the population and understood the change we expect to see in these groups
- understood the most effective ways to change attitudes and set realistic but ambitious goals for the change in attitudes we want to see in five years
- started to see changes in attitudes.

Making a difference to the lives of people with a learning disability here and now

What change do we want to see?

We want people with a learning disability receiving social care to lead more fulfilling lives. In the next five years we want to have contributed to improving the quality of life of people with a learning disability receiving social care services.

In the next five years we will have:

- understood better the difference that we make in people's lives

- piloted new models of service delivery so that we can influence other providers and decision makers
- influenced others to provide better quality services which improve quality of life.

Supporting friendships and relationships

What change do we want to see?

By 2046, we want everyone with a learning disability to have a supportive network of family, friends and other social connections. At the moment, too many people with a learning disability feel cut off from their community and excluded from having a social life. So in the next five years, we want to see more people with a learning disability developing friendships and relationships and feeling better connected to their community.

In the next 5 years we will have:

- defined what meaningful connections mean for different people
- carried out an evidence review to determine what the biggest barriers are for people with a learning disability forming meaningful connections. This will include exploring the relationship between housing and social care models, and people's friendships, relationships and wider social connections
- improved the social lives of people with a learning disability and their connections to their local community
- developed a plan based on our learnings that sets out how we want to improve and support friendships and relationships for people with a learning disability.

Improving health for people with a learning disability

What change do we want to see?

By 2046, we want people with a learning disability to have better health. In the next five years we want a significant and measurable improvement to the understanding and behaviours of healthcare workers towards people with a learning disability. We also want the health of people with a learning disability to remain high on the government agenda.

In the next 5 years we will have:

- developed our understanding of current awareness and skills of healthcare workers towards people with a learning disability
- made it easier for people with a learning disability to access healthcare
- improved the quality of healthcare people with a learning disability receive by
- assessing and understanding the training that is currently provided
- piloting new training to see how new approaches can improve attitudes and the provision of reasonable adjustments
- increased our influence over those who are in positions to help us affect change, such as politicians.

Giving children the best start in life

What change do we want to see?

By 2046, we want children with a learning disability to have the best start in life. That means over the next five years, more children with a learning disability aged 0 - 5 and their families must receive the right early support.

In the next 5 years we will have:

- Measured the impact of our early intervention work in Northern Ireland
- Understood how the provision of early intervention by us, our local groups and other learning disability organisations affects the lives of children, young people and their families
- Understood the barriers to getting early years support for parents of children with a learning disability
- Used our knowledge to change policies and systems to improve practice around early intervention and made sure every family has access to the support they need.

Financial Review

Income for the year was £192m, which was lower than the prior year, as a result of the sale of Mencap's colleges which completed in the early part of 2014/15. Income on continuing operations was slightly higher than 2013/14 at £189m. The unrestricted surplus was £1.9m. Although there was a restricted deficit of £1.3m, this will be funded by restricted income received in prior periods, or income due in the next financial year.

Current assets to current liabilities increased for the Royal Mencap Society from 2.25 in the prior year to 2.28. A similar increase was seen in the consolidated balance sheet, where this increased from 1.60 to 2.04.

Gearing for the group, which is calculated as long term borrowing/ unrestricted reserves (before pension liability) is 0.86 which is in line with last year's ratio.

Liquidity remained strong as cash at bank was over £13m for Royal Mencap society and £18.4m for the group.

Highlights

Given the continuing downward pressure on hourly rates from the Local Authorities, the main focus for the delivery of direct services this year has been to ensure that our existing business is run to the highest quality standards within our means, and to use the resources available to us in the most efficient way possible for the benefit of the people we support.

We continue to seek opportunities to grow, and over the year have increased the number of people supported through our direct services offering by 4%. This has been achieved by retaining and increasing our existing business. An example of this is in Hampshire where, on re tender, we increased our business from £2m to £2.9m. Over all we have secured £3.2m of net new business from tenders and organic growth. This growth has been supported through Golden Lane Housing, whose innovative 2014 social Housing bond has enabled Royal Mencap Society to re-house and support 57 more people by utilising Golden Lane Housing's bond funding.

Voluntary income remained steady at £11.8m, with legacies contributing over half of this at £6.2m. We are extremely grateful to all our supporters,

especially those who choose to remember the work of the Royal Mencap Society in their wills.

We continued the review started in 2013/14 of our activities for generating voluntary income, and further improved our cost ratio to £3.03 raised for every £1 spent, a 7% improvement over the prior year.

Our new partnership with Land Securities achieved income of £164k in the year through a number of employee led initiatives for which we are very grateful.

By close monitoring of expenditure, and ensuring that funds available to Royal Mencap Society are spent efficiently, we were also able to give a 1% pay award to our staff.

In January 2015 Golden Lane Housing (GLH) became a Registered Provider with the Homes and Communities Agency (HCA). This has enabled GLH to secure the tenancies of all its tenants with a learning disability, some of whom had previously had their housing benefit reduced by the local authority. It has also enabled GLH to plan the future with confidence and to work with other Registered Providers and with local authorities who choose only to work with housing associations who are registered with the HCA. GLH income rose by almost 5% in the year. Its borrowings reduced by £7.9m, through a mixture of contractual loan payments, funds raised from the 2013/14 bond issue and proceeds from the disposal of properties.

Recognising each of the three charities

Our financial and business risks, reserves and investment policies are all interlinked. Our business risks highlight the need for reserves, and our financial management then determines how working capital is managed and how investment decisions are made. Our policies also recognise that Royal Mencap Society group comprises three separate and distinct charities.

Royal Mencap Society accounts are made up of three charities:

- Royal Mencap Society (Mencap)
- Golden Lane Housing Limited (Golden Lane Housing)

- AdCare Foundation Limited (AdCare) which ceased trading in the year. As a result, risk management and reserves policies are not outlined below.

Royal Mencap Society is the sole member of each charity. However, each charity has its own board of trustees that is accountable to its beneficiaries in meeting its respective charitable objectives. It should be noted that Royal Mencap Society has no automatic right to the gross assets or reserves of other subsidiary charities of the group.

Note 3 to the accounts shows that the total income of all 3 charities is £191m, with £12.1m being received by Golden Lane Housing and the balance by Royal Mencap Society.

Each charity has different tasks, needs and financial management policies. The financial management objectives and reserves policies of Royal Mencap Society reflect the policies of the separate charities, rather than being a single group policy. Annually, each board of trustees considers what resources will be required to meet long-term objectives and obligations and what the risks are to achieve the desired outcomes.

Risk management and internal control

Royal Mencap Society

Risks are identified and assessed at an operational, project and corporate level, against the agreed strategic aims and objectives. Periodic reports are provided to the board, highlighting the key risks in specific areas and significant changes in risks. All board papers include a risk assessment in their cover sheet to draw out the key risks and mitigations. A comprehensive review of Mencap's risk register is currently being undertaken to pull all these strands together in order to provide an organisational overview.

The board of trustees oversees strategic risks annually with additional operational risk assessment through delegation to the audit and assurance committee. The committee is satisfied with the processes for identifying, managing and reporting risk at this operational level and PwC provide independent assurance as our internal audit function. Risk control is exercised appropriately by executive directors who review risks regularly and formally on a quarterly basis.

Our main risks are:

- Safety of service users will always be a big risk due to the nature of the work that we do. We mitigate this with our own quality assurance system which helps us ensure that we have sufficient and effective management arrangements in place to drive, confirm and monitor practice and service compliance. Our services are regularly inspected by regulators and reviewed by commissioners and we carry out our own reviews as part of quality assurance. We also have a health and safety management system in place which is measured and we monitor trends through our critical incident reporting process and complaints audits.
- Funding, which remains a significant risk with continuing pressure from service commissioners to reduce contract prices balanced against our need. We will ensure that we can deliver quality social care recognising that fundraising is ever more challenging, particularly in respect of unrestricted funding.

Golden Lane Housing

This has become an increasingly integral part of business planning and control processes. Trustees undertake an annual review of the risk register and approval of action plans to mitigate the identified risks, as outlined below:

- Financial
- Staff related
- Infrastructure
- Property Maintenance
- Business Growth
- Reputation.

Further information can be obtained from Golden Lane Housing's Annual Report.

Reserves Policy

Royal Mencap Society

At 31st March 2015 the Charity's free reserves were £17.1m. This is calculated by taking unrestricted funds and the designated revaluation reserve, totalling £30.2m and deducting fixed assets of £13.1m, as these are funds which cannot easily be liquidated. In line with the Charity Commission guidance free reserves are calculated as the Charity's

unrestricted net assets that are freely available to spend, without negatively impacting the Charity's operations.

The Trustees have set a target range of free reserves based upon an analysis of the potential financial impacts of significant risks identified through the Charity's risk management framework, weighted for likelihood and impact.

The principle sources of information which were taken into account when setting the reserves target range included:

- RMS's risk management framework
- Budgets and forecasts taking into account expected sources of income and their stability, along with expected costs.
- Cash flow forecasts including the schedule of payments agreed to fund the Defined Benefit pension deficit agreed with the Pension trustees.
- Banking facilities and loans available to Mencap along with an analysis of the banking covenants.
- A going concern review undertaken as part of the year end process.

It should be noted that on the basis that the Defined Benefit pension liability as calculated according to FRS17 does not impact the day to day operations save the annual payments in accordance with the agreed schedule of contributions, this liability has not been fully taken into account. The schedule of contributions agreed with the Pension trustees is fully taken into account within all planning, budgeting and cash flow considerations and so one year's liability is held as part of reserves

Having considered the above, the target range for RMS reserves has been set at £11.7m level which is £5.4m lower than reserves held. Subsequent to the end of the financial year ending on 31 March 2015 the charity made a special £1.9m contribution to the defined benefit pension scheme which is a partial utilisation of the reserves excess.

The trustees have approved a programme of monitoring and reporting on the level of free reserves throughout the year in conjunction with the budgeting and forecasting process in order to ensure we maintain an appropriate level of reserves.

Golden Lane Housing (GLH)

GLH has an expenditure budget of £12.3m for 2015/16, the majority of which is funded by housing benefit. This allows GLH to support those with learning disabilities, their families and carers through the direct provision of housing, advice and guidance.

GLH's policy in relation to unrestricted reserves is to set aside amounts for specific future purposes and to hold a minimum of £700,000 expenditure cover under designated or free reserves, backed by cash. Its trustees have reviewed the reserves for the charity and believe they are appropriate considering the operations of the charity. Details of the policy and level of reserves are set out in GLH's accounts.

Defined benefit pension liability

Each year we revalue the Royal Mencap Society's defined benefit pension scheme liabilities in accordance with accounting rules. This year, our deficit on this scheme has increased by £2.7m from £23.1m to £25.8m. This contrasts with a decrease in the liability of £4.7m in the previous year. These changes demonstrate the volatility of our liability and are largely due to the changing conditions in the financial markets and inflation assumptions, which are outside our control.

This is, of course, a long term liability and we have agreed a schedule of payments over the next 13 years with the trustees of the pension scheme. Working collaboratively, Royal Mencap Society and the trustees of the pension scheme are focused on managing this liability in the interests of both the beneficiaries of Royal Mencap Society and the pension scheme members. We recognise that it is in the interest of all our beneficiaries, as well as those members of the pension fund, for Mencap to be financially strong. Our ambition is to ensure that we balance incoming and outgoing resources from unrestricted funds, whilst being able to invest for the long-term in activities that deliver positive impact to people with a learning disability.

Investment, policy and performance

Investment decisions for Royal Mencap Society are taken on the advice of the Finance Committee whose members have a finance, investment or commercial background.

Royal Mencap Society's investment policy is to hold assets to achieve an appropriate return with an appropriate level of risk when considered alongside the Charity's business plan and level of reserves. It has two investment objectives:

- Prudence – to ensure that the risk surrounding the capital value equivalent to the minimum level of reserves is minimal, with an appropriately higher level of risk in assets invested over and above this level.
- Liquidity – the majority of investments should be reasonably liquid, so that the Charity is able to liquidate funds quickly without there being a significantly adverse impact on the value of investments.

Investment performance during the year was in line with the objectives set by the Trustees.

Details on Golden Lane Housing's Investment Policy can be found within their accounts.

Statement of public benefit

The Trustees confirm that they have complied with the duty in section 17 of the Charities Act 2011 to have regard to the Charity Commission's general guidance on public benefit, "Charities and Public Benefit".

Mencap's charitable objects are enshrined within its memorandum and articles and as such the Trustees ensure that the charity's activities are carried out for the public benefit through its strategic priorities. This is done primarily through the delivery of services aimed at all those with learning disabilities. This report allows us to show how our charitable funds are spent and on the impact and benefits that has on those using our services and the wider impact on society.

Statement of Trustees Responsibilities

The trustees are responsible for preparing the Strategic Report, the Trustees' Report and the financial statements in accordance with applicable law and regulations.

Company law requires the trustees to prepare financial statements for each financial year. Under that law, the trustees have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards) and applicable law.

Under company law, the trustees must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the charitable company and the group, and of the net incoming/ outgoing resources of the group for that period. In preparing these financial statements, the trustees are required to:

- select suitable accounting policies and then apply them consistently
- observe the methods and principles in the Charities' SORP
- make judgements and estimates that are reasonable and prudent
- state whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements
- prepare the financial statements on a going concern basis unless it is inappropriate to presume that the charitable company and the group will continue to operate.

The trustees are responsible for keeping adequate accounting records that are sufficient to show and explain the charitable company's and the group's transactions and disclose with reasonable accuracy at any time the financial position of the charitable company and the group and enable them to ensure that the financial statements comply with the Companies Act 2006, the Charity (Accounts and Reports) Regulations 2008, the Charities and Trustee Investment (Scotland) Act 2005, the Charities Accounts (Scotland) Regulations 2006 (as amended) and the provisions of the charitable company's constitution. They are also responsible for safeguarding the assets of the charitable company and the group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The trustees are responsible for the maintenance and integrity of the corporate and financial information included on the charitable company's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

This Trustees' Report, under the Charities Act 2011 and the Companies Act 2006, was approved by the Board of Trustees on 28th July 2015, including approving in their capacity as company directors the Strategic Report contained therein, and is signed as authorised on its behalf by:



Graham Williams, Chair of the Audit Committee

The Independent Auditor's Report

Independent Auditor's Report to the Members and Trustees of Royal Mencap Society

We have audited the financial statements of Royal Mencap Society for the year ended 31 March 2015 which comprises the Consolidated Statement of Financial Activities, the Consolidated and Company Balance Sheets, the Consolidated Cash Flow Statement and the related notes numbered 1 to 24.

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 charitable company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006 and to the charitable company's trustees, as a body, in accordance with section 44(1c) of the Charities and Trustee Investment (Scotland) Act 2005. Our audit work has been undertaken so that we might state to the charitable 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 charitable 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 trustees and auditor

As explained more fully in the Statement of Trustees' Responsibilities, the trustees (who are also the directors of the charitable company for the purpose of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view.

We have been appointed as auditor under section 44(1c) of the Charities and Trustee Investment (Scotland) Act 2005 and under the Companies Act 2006 and report in accordance with regulations made under those Acts.

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 charitable company's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the trustees; and the overall presentation of the financial statements.

In addition, we read all the financial and non-financial information in the Strategic report, the Trustees' Annual Report and any other surround information 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 group's and the charitable company's affairs as at 31 March 2015 and of the group's incoming resources and application of resources, including its income and expenditure, 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, the Charities and Trustee Investment (Scotland) Act 2005 and Regulations 6 and 8 of the Charities Accounts (Scotland) Regulations 2006 (amended).

Opinion on other matter prescribed by the Companies Act 2006

In our opinion, the information given in the Strategic Report and the Trustee's Annual 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 or the Charities Accounts (Scotland) Regulations 2006 (as amended) requires us to report to you if, in our opinion:

- the parent charitable company has not kept adequate accounting records, or returns adequate for our audit have not been received from branches not visited by us; or

- the parent charitable company financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of trustees' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

N. Hashemi

Naziar Hashemi

Senior statutory auditor

for and on behalf of

Crowe Clark Whitehill LLP

Statutory Auditor

London

Date: *28/7/15*

Crowe Clark Whitehill LLP is eligible to act as an auditor in terms of section 1212 of the Companies Act 2006.

Accounts

Consolidated statement of financial activities for the year ended 31 March 2015

	Note	Restricted funds 2015 £'000	Unrestricted funds 2015 £'000	Total funds 2015 £'000	Restated Total funds 2014 £'000
Incoming resources					
Incoming resources from generated funds:					
Voluntary income	2	2,682	9,087	11,769	12,521
Activities for generating funds		-	899	899	652
Investment income	4	3	85	88	67
Income resources in furtherance of charitable objects:					
Grants and other income receivable	5	4,556	160,992	165,548	176,550
Rental income		-	12,340	12,340	11,305
Profit on disposal of tangible fixed assets		-	1,007	1,007	100
Total incoming resources		7,241	184,410	191,651	201,195
Continuing operations		7,241	181,735	188,976	187,387
Discontinued operations	23	-	2,675	2,675	13,808
Resources expended					
Costs of generating funds:					
Costs of generating voluntary income		148	3,699	3,847	4,377
Costs of activities for generating funds		-	416	416	229
Investment management costs		6	4	10	9
Charitable activities:					
Supporting people		6,985	169,203	176,188	178,333
Engaging and influencing key stakeholders		2,193	4,292	6,485	7,001
Governance costs		-	544	544	523
Total resources expended	6	9,332	178,158	187,490	190,472
Net incoming resources / (resources expended) before transfers		(2,091)	6,252	4,161	10,723
Transfers between funds	16	372	(372)	-	-
Net incoming/(outgoing) resources for the year before investment disposals		(1,719)	5,880	4,161	10,723
Continuing operations		(1,719)	5,802	4,083	10,301
Discontinued operations	23	-	78	78	422
Reduction in funds upon deconsolidation of NOFAS		-	-	-	(79)
Net gain/(loss) on investments		402	114	516	120
Actuarial loss on defined benefit pension scheme	20	-	(2,838)	(2,838)	(1,159)
Defined benefit pension deficit reduction			(2,040)	(2,040)	(2,040)
Net increase/(decrease) in funds		(1,317)	1,116	(201)	7,565
Fund balances carried forward at 1 April	16	27,576	22,185	49,761	42,196
Fund balances carried forward at 31 March		26,259	23,301	49,560	49,761

Consolidated balance sheet as at 31 March 2015

	Note	2015		2014	
		£'000	£'000	£'000	£'000
Fixed assets					
Tangible assets	8		93,561		87,764
Investments	9		12,048		6,445
			105,609		94,209
Current assets					
Fixed assets held for sale			-		5,935
Stocks			28		25
Debtors	11		20,566		19,949
Cash at bank and in hand			18,400		19,445
Creditors: amounts falling due within one year	12		(19,108)		(28,346)
Net current assets			19,886		17,008
Total assets less current liabilities			125,495		111,217
Creditors: amounts falling due after more than one year			(42,509)		(32,457)
Provisions and charges	14		(6,080)		(4,888)
Net assets excluding pension scheme liabilities			76,906		73,872
Defined benefit pension scheme liability	20		(27,346)		(24,111)
Net assets including pension scheme liabilities			49,560		49,761
Funds					
Restricted funds	16		26,259		27,576
Unrestricted funds:					
Unrestricted income funds			40,335		35,984
Revaluation reserve			10,312		10,312
Unrestricted funds excluding pension liability			50,647		46,296
Pension reserve			(27,346)		(24,111)
Total unrestricted funds	16		23,301		22,185
Total funds			49,560		49,761

The financial statements were approved by the trustees on 28th July 2015 and signed on their behalf, by:



Derek Lewis
Chairman



Graham Williams
Trustee

The notes on pages 29 to 53 form part of these financial statements.

Charity balance sheet as at 31 March 2015

	Note	2015		2014	
		£'000	£'000	£'000	£'000
Fixed assets					
Tangible assets	8		13,115		12,311
Investments	9		12,048		6,445
			25,163		18,756
Current assets					
Fixed assets held for sale			-		5,935
Debtors	11		25,415		25,386
Cash at bank and in hand			13,353		13,259
			38,768		44,580
Creditors: amounts falling due within one year	12		(16,989)		(19,777)
Net current assets			21,779		24,803
Total assets less current liabilities			46,942		43,559
Creditors: amounts falling due after more than one year	13		(2,728)		(3,038)
Provisions for liabilities and charges	14		(6,080)		(4,889)
Net assets excluding pension scheme liabilities			38,134		35,632
Defined benefit pension scheme liability	20		(27,346)		(24,111)
Net assets including pension scheme liabilities			10,788		11,521
Charity funds					
Restricted funds	16		7,912		9,727
Unrestricted funds:					
Unrestricted income funds			19,910		15,593
Revaluation reserve			10,312		10,312
Unrestricted funds excluding pension liability			30,222		25,905
Pension reserve			(27,346)		(24,111)
Total unrestricted funds/(deficit)			2,876		(1,794)
Total funds			10,788		11,521

The financial statements were approved by the trustees on 28th July 2015 and signed on their behalf, by:



Derek Lewis
Chairman



Graham Williams
Trustee

The notes on pages 29 to 53 form part of these financial statements.

Consolidated cash flow statement for the year ended 31 March 2015

	Note	2015 £'000	2014 £'000
Net cash flow from operating activities	(a)	2,826	4,439
Returns on investments and servicing of finance	(b)	(1,618)	(1,196)
Capital expenditure and financial investment	(c)	(5,738)	(231)
Cash (outflow)/inflow before financing		(4,530)	3,012
Financing	(d)	3,485	6,402
(Decrease)/increase in cash in the year	(e)	(1,045)	9,414

Reconciliation of net cash flow to movement in net debt for the year ended 31 March 2015

	2015 £'000	2014 £'000
(Decrease)/increase in cash in the year	(1,045)	9,414
Cash outflow from decrease in debt and lease financing	(3,485)	(6,402)
Change in net debt resulting from cash flows	(4,530)	3,012
Net debt at 1 April 2014	(20,564)	(23,576)
Net debt at 31 March 2015	(25,094)	(20,564)

The notes on pages 29 to 53 form part of these financial statements.

(a) Reconciliation of net incoming/(outgoing) resources to net cash inflow from operations

	2015 £'000	2014 £'000
Net incoming resources before other recognised gains and losses	4,161	10,723
Returns on investments and servicing of finance	1,618	1,196
Depreciation of tangible fixed assets	1,797	1,605
Adjustment for pension funding	397	(5,044)
Profit sale of fixed assets	(1,007)	(100)
Adjustment for NOFAS-UK	-	(79)
(Increase)/decrease in stocks	(3)	15
Increase in debtors	(617)	(613)
Decrease in creditors	(2,673)	(549)
(Increase)/decrease in provisions	1,193	(675)
Defined benefit pension deficit reduction	(2,040)	(2,040)
Net cash inflow from operating activities	2,826	4,439

(b) Returns on investments and servicing of finance

	2015	2014
	£'000	£'000
Management charges on investments	(10)	(9)
Interest received	76	67
Interest paid	(1,673)	(1,213)
Income from investments	11	-
Interest element of finance lease rentals	(22)	(41)
Net cash outflow from returns on investments and servicing of finance	(1,618)	(1,196)

(c) Capital expenditure and financial investment

	2015	2014
	£'000	£'000
Purchase of tangible fixed assets	(7,736)	(10,608)
Shared investment contribution	(19)	(5)
Purchase of listed investments	(6,283)	-
Disposals of tangible fixed assets	188	672
Net sales of fixed investments	1,196	9,710
Disposal of current assets held for sale	6,916	-
Net cash outflow from capital expenditure and financial investments	(5,738)	(231)

(d) Financing

	2015	2014
	£'000	£'000
Capital element of finance lease payments	(217)	(182)
Loan drawdowns	3,702	6,584
Net cash inflow from financing	3,485	6,402

(e) Analysis of changes in net debt

	1-Apr	Cash flow	31-Mar
	2014		2015
	£'000	£'000	£'000
Cash at bank and in hand	19,445	(1,045)	18,400
Debt:			
Finance leases	(487)	217	(270)
Debt due within one year	(7,338)	6,520	(818)
Debt due after one year	(32,184)	(10,222)	(42,406)
Net debt	(20,564)	(4,530)	(25,094)

Notes to the financial statements for the year ended 31 March 2015

1. Accounting policies

The financial statements have been prepared in accordance with the Companies Act 2006, applicable accounting standards and the Statement of Recommended Practice Accounting and Reporting by Charities (Charities' SORP 2005) published in March 2005.

The principal accounting policies adopted are described below:

(a) Accounting convention

The financial statements have been prepared under the historical cost convention as modified by the revaluation of certain fixed assets, current assets and listed investments which are marked to market at the balance sheet date.

(b) Going concern

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

(c) Basis of consolidation

The consolidated accounts incorporate the charity (Royal Mencap Society), and the two charities (Golden Lane Housing Limited and AdCare Foundation Limited) of which the charity, in both cases, is the sole member. Each charity within the Mencap group is a separate registered charity governed by its own Memorandum and Articles of Association. Additionally, the charity's trading subsidiaries as disclosed in the accounts are fully consolidated, as in all cases the charity is the sole member.

Mencap claims exemption from the requirement to file an individual Statement of Financial Activities under section 408 of the Companies Act 2006 and paragraph 397 of the Charities SORP 2005.

(d) Incoming resources

i) Voluntary income

Donations

Donations are accounted for when conditions for their receipt have been met and there is reasonable certainty of receipt and the amount receivable can be reliably estimated.

Legacies

Legacies are accounted for when notified, providing

the amount can be reliably ascertained and that ultimate receipt is reasonably certain.

Life Interests

Legacies include legacies with a life interest held by another party. Given the length of time these interests may take before they are realised, and the inherent uncertainties, no income is accounted for until the estate's accounts are finalised and the income is received by Mencap.

Trusts and Community Fund

Grants from trusts and lottery funds are accounted for as receivable as and when conditions for their receipt have been met.

Gifts in kind

Donated services and gifts in kind are included at the value to Mencap, where this can be quantified. Where this is possible, the donated services and gifts in kind are valued at their estimated open market value. The value of services provided by volunteers has not been included in these accounts.

ii) Activities for generating funds

Trading and other activities

Income from trading, contracted services and other activities is accounted for when earned. Income which has been earned, but which has not yet been received, is accrued as being earned. Income which has not yet been earned, but which has been received, is accounted for as deferred income.

iii) Investment Income

Investment income is accounted for when receivable.

iv) Grants receivable and other income receivable

Grants receivable are recognised in the Statement of Financial Activities when received or the charity becomes entitled to receipt. Grants that have been received will be treated as deferred income where there is a specific requirement in the terms of the grant that the income recognition is dependent on certain activities being completed in a future accounting period(s).

v) Rental income

Rental income is recognised when earned.

(e) Total expenditure

i) Allocation of costs to direct charitable expenditure and other expenditure

The charity's cost of operating includes staff costs,

rent and other related costs. Such costs are allocated between charitable activities, generating funds and support. All costs are accounted for on an accruals basis.

ii) Basis of allocation of support costs

Support costs are allocated to the different categories of activities based on a judgement of the percentage the specific activity represents in relation to the total non-support expenditure.

Support costs include processing and administration, budgeting and accounting, quality assurance, human resources and information technology.

iii) Cost of generating funds

Costs of generating funds include the costs incurred in generating voluntary income and costs of trading subsidiaries. These costs are regarded as necessary to generate funds that are needed to finance charitable activities.

iv) Charitable activities

Charitable activities expenditure enables Royal Mencap Society to meet its charitable aims and objectives.

v) Governance costs

These comprise costs associated with the governance arrangements of the charity as opposed to those costs associated with fundraising, charitable activity and support. These include national assembly, trustee expenses and internal and external audit costs.

vi) Pension costs

Mencap defined benefit scheme was closed to new entrants on 1 October 2001 and closed to future service benefit accrual with effect from 31 March 2009. The charity also contributes to a defined contribution scheme, which was opened on 1 April 2002. This is currently operated by BlackRock.

Mencap also participates in a number of local government pension schemes in relation to a small number of staff who have transferred over to Mencap. Mencap participates in these schemes by way of admission agreements. Full provision has been made according to FRS17 in the financial statements in relation to two of the schemes. However, as the liability per FRS17 is not material, disclosure has been limited so as not to distort or overstate the importance of these schemes.

Pension scheme assets are measured at fair value and liabilities are measured on an actuarial basis using the projected unit method and discounted at a rate

equivalent to the current rate of return on a high quality corporate bond of equivalent currency and term to the scheme liabilities.

The actuarial valuations are obtained every three years. The FRS17 valuation is updated at each balance sheet date and the resulting defined benefit asset or liability, is shown separately after other net assets on the face of the balance sheet. This defined benefit asset or liability is also disclosed separately within the unrestricted funds.

For the defined benefit schemes the amounts charged in resources expended are the current service costs which are included within staff costs and gains and losses on settlements and curtailments. Past service costs are recognised immediately in the Statement of Financial Activities if the benefits have vested.

Defined actuarial gains and losses are recognised immediately under 'Other recognised gains and losses'.

The defined benefit schemes are funded, with the assets of the scheme held separately from those of the group in separate trustee administered funds.

If members of the defined benefit pension schemes have not yet retired, their costs are recognised over the period leading to retirement. Further details of the nature of these costs are given in Note 20: Pension schemes.

For defined contribution schemes, the amount charged to the Statement of Financial Activities in respect of pension costs and other post retirement benefits is the contributions payable in the year. Differences between contributions payable in the year and contributions actually paid are shown as either accruals or prepayments in the balance sheet.

(f) Tangible fixed assets

Office properties and colleges are held at professional valuation. Residential property is held at cost, less contributions from individuals and their families where applicable. Shared investment contributions are accounted for where individuals or families have a right to an equity share of the property on disposal, including any resulting profit or loss. The professional valuation exercise for freehold and leasehold property assets does not separately identify land.

Depreciation is provided so as to write off the cost of the assets net of any shared investment contributions in equal instalments over the estimated useful lives of the assets. The depreciation rates used for other assets are as follows:

Freehold and long leasehold buildings	1% - 10% per annum
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Fixtures, fittings and equipment	10% - 33% per annum
Motor vehicles	25% per annum
Software	33%

Tangible fixed assets costing more than £2,000 have been capitalised.

Assets under Construction is a category holding assets pending completion and its transfer into the relevant fixed asset category. These assets are capitalised at cost and not subject to depreciation nor impairment unless extraordinary circumstance has occurred as per FRS11, when required provision would be made.

All other tangible fixed assets are subject to review for impairment/accelerated depreciation where there is an indication of a reduction in their carrying value. Any impairment/accelerated depreciation is recognised in the Statement of Financial Activities in the year in which it occurs.

Property assets which are anticipated to be disposed of within a year of the balance sheet date are accounted for as current assets.

(g) Contingent liability

A number of properties have been acquired over the past years with resources provided by local councils. Some of these properties held are subject to a separate charge that requires either a share or all of the proceeds on sale to be returned to the local councils, if the specific properties do not continue to be used for their current purpose. As there is currently no intention to stop using these assets for their current use, the potential liability has not been recorded in the balance sheet. £267,750 of assets included on the balance sheet are subject to these charges.

(h) Leases

Assets held under finance leases and the related obligations are recorded in the balance sheet at the fair value of the leases. The amounts by which lease payments exceed the recorded lease obligations are treated as finance charges which are amortised over each lease term to give a constant rate of charge on the remaining balance of the obligation.

Rental costs under operating leases are charged to the Statement of Financial Activities as they fall due.

(i) Investments

Investments are stated at market value except for investments in trading subsidiaries. Realised and unrealised gains and losses are combined and shown

separately in the appropriate section of the Statement of Financial Activities. Investments in subsidiaries are stated at net cost less any provision for impairment.

(j) Stocks

Stocks, which comprise stationary and goods for resale, are stated at the lower of cost and net realisable value.

(k) Mencap Visiting Service

A provision is made to cover the estimated future liability in respect of the scheme. In estimating the provision, account is taken of the estimated number of years that the service will be provided to individuals as well as estimated future inflation rates and rates of return on investments associated with the scheme. The discount rates used in calculating this liability are consistent with rates used in determining our pension liability under FRS17.

Investments held within Mencap to cover the liability of providing the Mencap Visiting Service are held in trust for this purpose.

(l) Restatement of prior year numbers

Prior year amounts in the SOFA and Note 6 were restated to adjust for the correct disclosure of the defined benefit deficit reduction costs, which had previously been included within operating costs. There is no impact on reserves of this change.

Prior year amounts in Note 3 have been restated to reflect the subsidiary results prior to consolidation, previously these included consolidation adjustments. There is no impact on reserves of this change.

(m) Funds

The charitable companies within the group maintain various types of fund as follows:

Restricted funds are those which are to be used in accordance with specific restrictions imposed by donors or which have been raised by the charities for particular purposes.

Unrestricted funds are funds which are expendable at the discretion of the trustees in furtherance of the objects of the charities.

Designated funds are unrestricted funds which have been set aside by the trustees of the charities for specific purposes. The aim and use of each designated fund is set out in the notes to the financial statements along with estimated timescales as to when the funds will be spent.

2. Voluntary income

	Restricted funds £'000	Unrestricted funds £'000	Total 2015 £'000	Total 2014 £'000
(a) Donations	325	2,740	3,065	3,420
Total donations income	325	2,740	3,065	3,420
(b) Legacies	558	5,640	6,198	6,210
Total legacies income	558	5,640	6,198	6,210

	Restricted funds £'000	Unrestricted funds £'000	Total 2015 £'000	Total 2014 £'000
(c) Trust fund				
Bailey Thomas Charitable Trust	-	-	-	10
BBC Children In Need	31	-	31	51
Bedfordshire & Luton Community Foundation	5	-	5	-
Comic Relief for Older Voices	10	-	10	30
Edith Murphy Foundation	-	-	-	5
Garfield Weston Foundation	-	-	-	250
John James Bristol Foundation	-	-	-	10
Gale Family Trust	5	-	5	-
Kathleen Laurence CT - CBAs	25	-	25	15
Mclay Foundation	50	-	50	-
Multithon Trust	-	-	-	5
Pears Foundation	25	-	25	25
Play Our Way	29	-	29	-
Roger de Haan Charitable Trust	-	-	-	10
Sir James Knott Charitable Trust	5	-	5	-
The Shears Foundation	5	-	5	-
The Wolfson Foundation	71	-	71	-
Thompson	15	-	15	-
Torbay Older Carers	-	-	-	5
Will Charitable Trust	-	-	-	15
Wixamtree Trust	-	-	-	5
Zachonis Charitable Trust	35	-	35	35
Subtotal	311	-	311	471
Other	80	46	126	70
Total trust income	391	46	437	541

	Restricted funds	Unrestricted funds	Total 2015	Total 2014
	£'000	£'000	£'000	£'000
(d) Community Fund/Big Lottery Fund				
Big Lottery Fund Northern Ireland/ Live&Learn for Livenet	166	-	166	211
Big Lottery Fund Northern Ireland/Safe and Well for Young People Together	189	-	189	259
Big Lottery Fund/Link Me	36	-	36	3
Big Lottery Fund/Young People's Fund 2 for Raising Your Game	637	-	637	1,061
Department of Health for Parent Pioneers	138	-	138	125
Heritage Lottery Fund for Hidden Now Heard	50	-	50	11
Other	-	6	6	-
Total Community Fund/Big Lottery Fund	1,216	6	1,222	1,670
(e) Organisations raising funds				
The Co operative Group (charity of the year)	-	-	-	50
Barclays Bank	-	20	20	-
Acumension Ltd	-	5	5	-
MBNA	-	33	33	35
MBNA (MPL)	-	8	8	8
International Power	-	-	-	19
EDF Suez	-	20	20	-
Gemserve	-	5	5	10
Keepmoat Homes	-	6	6	-
Fontsmith	-	9	9	-
Franklins Solicitors	-	34	34	34
Ladbrokes	-	15	15	-
Land Securities	54	-	54	-
Nexen Petroleum	-	-	-	5
Skanska	-	14	14	-
Stavros Niarchose Foundation	-	30	30	50
The Rotary Club of Elthorne Hillingdon	-	8	8	-
Towerbridge International	-	15	15	-
United House Group	-	-	-	15
Charity Sweets	-	53	53	27
Aveso	30	-	30	28
Parker Plant	-	-	-	6
Opus Energy	-	-	-	24
Winemark	10	-	10	-
Ulster Rugby	14	-	14	-
Other	10	347	357	269
Total organisations raising funds	118	622	740	580
(f) Gifts in kind				
	74	33	107	100
Total Voluntary Income	2,682	9,087	11,769	12,521

3. Net income of group companies, including consolidation entries

	Blue Sky Housing Ltd	Mencap Trust Co. Ltd	Mencap Ltd	Mencap Promotions Ltd	Total 2015	Restated Total 2014
	£'000	£'000	£'000	£'000	£'000	£'000
Trading subsidiaries						
Turnover	-	275	295	329	899	657
Cost of sales	-	-	(296)	(63)	(359)	(126)
Gross profit/(loss)	-	275	(1)	266	540	531
Administration costs	-	(273)	(3)	(6)	(282)	(308)
Net profit/(loss)	-	2	(4)	260	258	223
Paid to Mencap under Gift Aid	-	-	-	(260)	(260)	(189)
Provision for tax	-	(1)	-	-	(1)	-
Retained in subsidiaries	-	1	(4)	-	(3)	25

The costs of all the above subsidiaries are included in the 'Consolidated Statement of Financial Activities' under costs of activities for generating funds, less any transactions between companies within the Mencap group.

	Royal Mencap Society	Golden Lane Housing	AdCare Foundation	Total 2015	Restated Total 2014
	£'000	£'000	£'000	£'000	£'000
Charitable companies					
Incoming resources	179,741	12,054	-	191,795	201,079
Resources expended	(166,540)	(7,986)	(773)	(175,299)	(181,440)
Income/(expenditure) for the year before administration costs	13,201	4,068	(773)	16,496	19,639
Administration costs	(9,573)	(2,759)	-	(12,332)	(8,941)
Net incoming/(outgoing) resources for the year before transfer	3,628	1,309	(773)	4,164	10,698
Realised gain on investments	516	-	-	516	1,216
Net income/(expenditure)	4,144	1,309	(773)	4,680	11,914

Included in the rental income of £12.5 million shown in the Consolidated Statement of Financial Activities is £11.9 million from Golden Lane Housing (2014: £10.8 million). The balance is from other sources. The resources of £0.77 million reported for AdCare represents the transfer of assets to Royal Mencap Society before its striking off.

	Total 2015	Total 2014
	£'000	£'000
Reconciliation of net incoming/(outgoing) resources for the year before transfers		
Group statement of financial activities' net incoming/(outgoing) resources before transfers	4,161	10,723
Trading subsidiaries' net profit adjusted for consolidation entries	(3)	25
Charitable companies' net incoming/(outgoing) resources for the year before transfers	4,164	10,698
	4,161	10,723

4. Investment income

	Group 2015 £'000	Group 2014 £'000
Income from listed investments in the UK	11	-
Bank interest	77	67
	88	67

5. Grants and other income receivable

	Group 2015 £'000	Group 2014 £'000
Belfast Health and Social Care Trust for children, adults, information and advocacy services in Northern Ireland	281	291
Cabinet Office Fund for Social Action	48	48
Cabinet Office for Me and My Vote	80	59
Care Quality Commission - Healthwatch	-	20
Big Lottery Link Me	166	105
Department of Health and Social Services and Public Safety (NI) for Segal House Project	-	2,500
Schools & Regional Colleges for employment services in Northern Ireland	23	47
Department for Employment & Learning (NI) for employment services	137	95
Department of Health and Social Services and Public Safety (NI) core grant	110	110
Department of Health for Strategic Partnership	160	200
Department of Health Parent Pioneers	138	
European Social Fund for employment services in Northern Ireland	696	615
Health and social services boards for Segal House nursery, area manager, information, advocacy and children services in Northern Ireland	137	142
Health and Social Care Volunteering Fund/Department of Health for Getting It Right From The Start	83	200
Inspire Me Contact a Family	-	67
Kids for Good (Nesta)	33	30
National Offender Management Service	150	-
Northern Health and Social Care Trust for children, adults, information and advocacy services in Northern Ireland	40	65
Northern Ireland Housing Executive for Supporting People Grant	717	682
People's Health Trust for Gateway Active	-	172
Sheffield & District Hospital Service	5	5
South Eastern Health and Social Care Trust for children and adults in Northern Ireland	264	261
Southern Health and Social Care Trust for children, adults and information services and area manager in Northern Ireland	265	244
Sport England for Inclusive Sports Project	36	51
Sure Start Partnerships in Northern Ireland for play adviser services	24	35
Western Health and Social Care Trust for children, adults, information and advocacy services in Northern Ireland	490	512
Youth Council Northern Ireland core grant	123	119
Department of Health for Parent Pioneers	-	125
Subtotal	4,206	6,800
All other grants and other income receivable	161,342	169,750
Total grants and other income receivable	165,548	176,550

Of this, £145m income is received for the provision of direct services.

6a. Total resources expended

	Staff costs	Depreciation	Other direct costs	Other allocated costs	Total 2015	Restated Total 2014
	£'000	£'000	£'000	£'000	£'000	£'000
Costs of generating voluntary income	1,527	1	2,059	260	3,847	4,377
Trading costs of subsidiaries	-	-	416	-	416	229
Investment management costs	-	-	10	-	10	9
Supporting people	129,307	1,255	33,747	11,880	176,188	178,333
Engaging and influencing key stakeholders	3,994	5	2,049	437	6,485	7,001
Governance	282	-	224	37	544	523
Support	6,795	536	5,283	(12,614)	-	-
	141,905	1,797	43,788	-	187,490	190,472

6b. Support costs allocated

	Facility management	Processing and support	Finance	IT	HR	Management support and quality	Total 2015	Restated Total 2014
	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000
Costs of generating voluntary income	17	66	23	59	42	53	260	201
Supporting people	770	3,011	1,066	2,713	1,901	2,419	11,880	8,775
Engaging and influencing key stakeholders	28	111	39	100	70	89	437	246
Governance	2	10	3	8	6	8	37	27
	817	3,198	1,131	2,880	2,019	2,569	12,614	9,249

6c. Governance costs

	Total 2015	Restated Total 2014
	£'000	£'000
External audit fees	79	79
Internal audit	109	101
Annual report and AGM	12	7
Trustee meetings and staff support costs	57	54
Expenses reimbursed to trustees	5	9
Legal costs	76	103
Governance and planning	160	125
Support costs	37	27
Other	9	18
	544	523

7. Net incoming/(outgoing) resources for the year

Net incoming/(outgoing) resources for the year are stated after charging	Group 2015	Group 2014
	£'000	£'000
Depreciation		
Own assets	1,603	1,359
Leased assets	194	246
Rentals under operating leases		
Land and buildings	2,955	2,864
Interest payable		
Interest element of finance leases	22	41
Bank interest	1,673	1,213
FRS17 expenditure movement for the year	397	(5,044)
Auditor's remuneration		
Audit of the group	69	79
Non-audit work		
Tax	-	8
Other	-	-

Included in the audit fee charged for the group was £52,750 (2014: £51,675) for the audit of the parent charity.

8. Tangible fixed assets

(a) Group	Freehold land and buildings £'000	Assets under construction £'000	Leasehold land and buildings £'000	Fixtures, fittings and equipment £'000	Motor vehicles £'000	Software £'000	Total £'000
Cost or valuation							
Balance at 1 April 2014	88,182	1,468	5,732	3,027	2,836	244	101,489
Additions	4,045	3,119	-	499	72	-	7,736
Disposals	-	-	(124)	(129)	(792)	-	(1,045)
Transfers between classes and held for sale	-	(1,291)	-	-	-	1,291	-
Balance at 31 March 2015	92,227	3,296	5,608	3,397	2,116	1,535	108,179
Accumulated depreciation							
Balance at 1 April 2014	5,328	-	598	2,588	2,306	109	10,929
Charge for the year	796	-	50	262	212	477	1,797
Disposals	(21)	-	(9)	(139)	(716)	-	(885)
Balance at 31 March 2015	6,103	-	639	2,711	1,802	586	11,841
Net book value at 31 March 2015	86,124	3,296	4,969	686	314	949	96,338
Less shared investment contribution	(2,042)	-	(735)	-	-	-	(2,777)
	84,083	3,296	4,234	686	314	949	93,561
Net book value at 31 March 2014	82,854	1,468	5,134	439	530	135	90,560
Less shared investment contribution	(2,061)	-	(735)	-	-	-	(2,796)
	80,793	1,468	4,399	439	530	135	87,764

Included in motor vehicles of the company and the group are assets held under finance leases with a net book value of £257k (2014: £0.5million).

The freehold interest in the office buildings of the charity were valued at 31 March 2012 on an Existing Use Value basis, assuming the properties are not surplus to the charity's use. The valuations of the offices and colleges were carried out by Gould & Co., Bruton Knowles, Campbell Cairns, and Hampton Estates; all chartered surveyors, depending on the location and type of property. All four firms are independent of the charity. These valuations were carried out in accordance with the Red Book Guidelines, as set out in RICS Valuation Standards Global and UK May 2011 as well as the Charity Commission's Statement of Recommended Practice (SORP) (2005).

(a) Charity	Freehold land and buildings £'000	Assets under construction £'000	Leasehold land and buildings £'000	Fixtures, fittings and equipment £'000	Motor vehicles £'000	Software £'000	Total £'000
Cost or valuation							
Balance at 1 April 2014	11,473	1,381	76	3,027	2,836	-	18,793
Additions	-	1,677	-	291	72	-	2,040
Disposals	-	-	-	(129)	(792)	-	(921)
Transfers between classes and held for sale	-	(1,291)	-	-	-	1,291	-
Balance at 31 March 2015	11,473	1,767	76	3,189	2,116	1,291	19,912
Accumulated depreciation							
Balance at 1 April 2014	1,528	-	60	2,588	2,306	-	6,482
Charge for the year	301	-	2	246	212	430	1,191
Disposals	(21)	-	-	(139)	(716)	-	(876)
Balance at 31 March 2015	1,808	-	62	2,695	1,802	430	6,797
Net book value at 31 March 2015	9,665	1,767	14	494	314	861	13,115
Net book value at 31 March 2014	9,945	1,381	16	439	530	-	12,311

9. Fixed asset investments

	Group 2015 £'000	Group 2014 £'000	Charity 2015 £'000	Charity 2014 £'000
Equities				
Market value at 1 April	4,677	6,541	4,677	6,541
Acquisitions	770	303	770	303
Disposals	(735)	(2,463)	(735)	(2,463)
Net investment gains	195	296	195	296
Market value at 31 March	4,907	4,677	4,907	4,677
Bonds, cash and cash instruments				
Market value at 1 April	1,768	9,494	1,768	8,452
Acquisitions	5,513	9,929	5,513	8,905
Disposals	(461)	(17,478)	(461)	(15,430)
Net investment gains	321	(177)	321	(159)
Market value at 31 March	7,141	1,768	7,141	1,768
Total market value at 31 March	12,048	6,445	12,048	6,445
Cost at 31 March	10,423	5,072	10,423	5,072

Included in the market value of the investment is an amount for the Mencap Visiting Service £6.2 million (2014: £6.4 million). This amount is held in a separate investment fund for the purpose of funding the scheme in future years. The liability of the scheme is shown in Note 14.

All equities are listed on the stock exchange, and all bonds, cash and cash instruments are UK Based.

	Equities	Bonds, cash and cash instruments	Total
	2015	2015	2015
	£'000	£'000	£'000
Group and charity			
Listed on UK Stock Exchange	4,907	-	4,907
UK bonds, cash and cash instruments	-	7,141	7,141
Market value at 31 March 2015	4,907	7,141	12,048
Market value at 31 March 2014	4,677	1,768	6,445

10. Subsidiaries

The charity owns 100% of the issued capital of the following companies, of which AdCare Foundation Limited and Golden Lane Housing Limited are also registered charities in their own right:

Subsidiary undertaking	Principal activity	Net assets/ (liabilities) £'000
AdCare Foundation Limited	Awarding of grants to support people with a learning disability	-
Blue Sky Housing Limited	Property development	-
Golden Lane Housing Limited	Property management and development	38,301
Mencap Limited	Mail order catalogue selling gifts and Christmas cards	(86)
Mencap Promotions Limited	Promotional and other special events	-
Mencap Trust Company Limited	Discretionary trust management	42

All the above are registered in England and Wales. The governance of the charities, of which Mencap is the sole member, is maintained by their board of trustees, who act to deliver the objectives of each charity.

The above undertakings form part of the group consolidation. Mencap has no automatic right to the gross assets or reserves of Golden Lane Housing Limited and AdCare Foundation Limited.

Blue Sky Housing Limited remained dormant throughout the year 2015-16.

11. Debtors

	Group 2015	Group 2014	Charity 2015	Charity 2014
	£'000	£'000	£'000	£'000
Trade debtors	12,898	14,378	12,457	13,968
Amount due from group undertakings	-	-	5,881	6,311
Other debtors	821	214	704	158
Pre-payments	1,060	1,115	795	921
Accrued income	5,787	4,242	5,578	4,028
	20,566	19,949	25,415	25,386

Included in the net amounts due from group undertakings is a loan from the charity to Golden Lane Housing Limited for £4.5m (2014: £5.39m) of which £0.32m is due within one year. The loan is to be repaid in full over a period of 25 years from initial drawdown; capital paid quarterly, interest paid monthly and charged at an interest rate of 0.5% below Bank of England base rate.

12. Creditors: amounts falling due within one year

	Group 2015	Group 2014	Charity 2015	Charity 2014
	£'000	£'000	£'000	£'000
Current portion of long-term loans	818	7,338	139	283
Obligations under finance leases	167	214	167	214
Trade creditors	2,265	2,299	2,109	2,061
Taxation and social security costs	2,723	2,418	2,704	2,402
Local society creditors	48	48	48	48
Other creditors	4,605	5,288	4,596	5,283
Accruals	4,602	5,525	3,351	4,278
Deferred income	3,880	5,216	3,875	5,208
	19,108	28,346	16,989	19,777

	Group 2015	Charity 2015
	£'000	£'000
Deferred income movement:		
Balance 1 April 2014	5,216	5,208
Amount released in the year	(5,216)	(5,208)
Amount deferred in the year	3,880	3,875
Balance at 31 March 2015	3,880	3,875

13. Creditors: amounts falling due after more than one year

	Group 2015	Group 2014	Charity 2015	Charity 2014
	£'000	£'000	£'000	£'000
Obligations under finance leases, two to five years	103	273	103	273
Debenture loan	21,000	10,000	-	-
Bank loans	21,406	22,184	2,625	2,765
	42,509	32,457	2,728	3,038

Royal Mencap Society

In 2007, Mencap obtained a loan for £1.5m, repayable in equal installments over 25 years, at an interest rate of LIBOR plus 1.0125%. As at 31 March 2015, the value of the loan stood at £1.1 million. The loan agreement is secured by an unlimited guarantee between Royal Mencap Society, Blue Sky Housing Limited, Mencap Limited, Mencap Promotions Limited and Mencap Trust Company Limited. It is further secured by a first legal charge over our property in Peterborough.

Mencap obtained two loans from Futurebuilders England Limited (FBE). On the 17th March 2010 a modernisation loan of £0.4m was obtained, which was interest free and repayable over 5 Years. This loan was repaid in full on the 2nd March 2015. A further loan of £2.2 m was obtained on the 11th May 2011 and carries a 2.0% interest rate to 31 March 2015 at which time the interest rate reverted to the FBE standard rate of 6%. The loan is for 10 years with a repayment profile over a period of 18 years. At the end of the 10th year there will be a balloon payment. On the 31st March 2015 the balance on this loan stood at £1.7 m. This loan is secured by a legal charge over our headquarters at 123 Golden Lane, London.

Golden Lane Housing

Housing Bond Issue

In February 2013 Golden Lane Housing issued a 5 year bond offering through Triodos Bank, an Investment Memorandum offered for subscription up to 100,000 Housing Investment Bonds with a nominal value of £100 each to a total value of £10m paying 4% interest. The funds have now been fully deployed in the purchase of 29 properties and housing 99 tenants. The bond is repayable on 30th September 2018.

During the year the company has issued through the intermediary of Retail Charity Bond, a new bond totalling £11m paying a yield of 4.375%. The bond issue was fully subscribed and the full £11m was duly received, the purpose being to purchase properties to rent to people with a learning disability. The funds have been utilised in this purpose. The bond is repayable on 29th July 2021.

At 31 March 2015 the bond funds committed were £5,673,650 whilst the bond funds expensed were £3,991,691 and so at the year end there is a bond funds capital commitment of £1,681,959.

Loans

In August 2014 two loans held with Nationwide were refinanced, leaving Golden Lane Housing with a fixed term loan of £845,912 secured on freehold land and buildings. The interest rate is fixed until June 2025.

The remaining loans are provided by Triodos and are a combination of fixed and variable rates.

The group loans are repayable as follows:

	Group 2015 £'000	Group 2014 £'000
Under one year	818	7,339
Between one and two years	868	877
Between two and five years	12,828	2,829
Over five years	28,711	28,478
	43,225	39,523

14. Provisions for liabilities and charges

	Group 2015 £'000	Group 2014 £'000
Balance at 1 April	4,888	5,564
(Decrease) in Mencap Visiting Service provision	1,013	(376)
(Decrease)/increase in restructuring and other provisions	179	(300)
Balance at 31 March	6,080	4,888

Of the above amount, £4.5m (2014: £3.5m) is in respect of future liabilities for the costs of the Mencap Visiting Scheme. This is a closed scheme whereby Mencap has undertaken to visit members of the scheme after the death of their parents or guardian.

15. Analysis of assets and liabilities between funds

	Restricted funds	Unrestricted funds	Total 2015	Restricted funds	Unrestricted funds	Total 2014
	£'000	£'000	£'000	£'000	£'000	£'000
Group						
Fixed assets	26,275	79,334	105,609	24,353	69,856	94,209
Current assets	4,998	33,996	38,994	7,216	38,138	45,354
Liabilities	(5,014)	(90,029)	(95,043)	(3,993)	(85,809)	(89,802)
Total	26,259	23,301	49,560	27,576	22,185	49,761

16. Funds

Group movement in funds	Balance 1 April 2014	Incoming resources	Outgoing resources	Transfers	Gains and Losses	Balance 31 March 2015
	£'000	£'000	£'000	£'000	£'000	£'000
Restricted						
Homes	267	-	(5)	-	-	262
NewBe Project	3,179	322	(347)	-	-	3,154
Mencap Visiting Service	2,125	40	(1,329)	-	402	1,238
Research fund	19	-	-	-	-	19
Inspired Educators	298	-	(154)	-	-	144
Inspire Me Young Ambassadors	84	-	(228)	552	-	408
Rothenberg Fellowship	28	-	-	97	-	125
Rothenberg Memorial Trust	125	-	-	(97)	-	28
Service provision	21,431	6,879	(7,269)	(180)	-	20,861
Special contingency	20	-	-	-	-	20
	27,576	7,241	(9,332)	372	402	26,259
Unrestricted						
General	35,984	184,410	(179,801)	(372)	114	40,335
Revaluation	10,312	-	-	-	-	10,312
Pension deficit	(24,111)	-	(397)	-	(2,838)	(27,346)
	22,185	184,410	(180,198)	(372)	(2,724)	23,301

The transfers of £372,000 include the following movements between restricted and unrestricted reserves: (i) an amount of £500,000 was a transfer from the unrestricted reserves to restricted reserves to reflect the grants made by AdCare to the Royal Mencap Society in relation to the Gateway project; (ii) £135,222 was transferred to unrestricted reserves as a result of the NIRE ESF grants movement; (iii) the remaining was a minor adjustment of £ 6,748.

Within unrestricted reserves for the group we have designated funds in Golden Lane Housing for non-repayable grants received of £5,691,436 (2014: £5,735,859). This fund recognises the value of assets that have been funded by capital grants. The fund balances are reduced by the depreciation charge on the assets they have been used to purchase.

Refer to note 20 for pensions disclosure information.

Restricted funds include the following unexpended balances of donations and grants held in trust to be applied for specific purposes. Royal Mencap Society holds sufficient resources in an appropriate form to enable each fund to be applied in accordance with its restrictions.

The purpose of each fund detailed above is as follows:

- (i) **Homes** specific bequests to residential care homes.
- (ii) **NewBe Project** Capital project in Northern Ireland, reserve used to fund the spend on a construction of a new building for the early intervention centre for children with a learning disabilities and their families, and new headquarters for Mencap in Northern Ireland.
- (iii) **Mencap Visiting Service** Special Trust used to provide regular visitors to people with a learning disability.
- (iv) **Research fund** used to sponsor medical research into the causes of learning disabilities.
- (v) **Inspired Educators** used to fund a project that works with head teachers and Special Educational Needs Co Ordinators to support them in ensuring that teaching assistants are properly employed to support children with SEN.
- (vi) **IM Young Ambassadors** Young Ambassadors are young people aged 16-25 with a learning disability who volunteer with Mencap as part of a 6 month programme, to support the work Mencap does, and to develop their employability skills
- (vii) **Rothenberg Fellowship** used to sponsor students from overseas to study learning disabilities. The aim is to increase international awareness.
- (viii) **Rothenberg Memorial Trust** provides income for the special contingency fund.
- (ix) **Service provision** restricted by funders and donors to specific areas of Mencap's and Golden Lane Housing's core services.
- (x) **Special contingency fund** funded by the Rothenberg Memorial Trust for use at the discretion of the chief executive.

17. Information relating to employees

The number of employees whose total emoluments (salary plus taxable benefits and excluding pension contributions) are in excess of £60,000 is as follows:

	2015 including termination payments	2015 still employed	2015 No.	2014 No.
£60,000 - £70,000	-	6	6	9
£70,000 - £80,000	-	1	1	9
£80,000 - £90,000	-	6	6	2
£90,000 - £100,000	-	3	3	5
£100,000 - £110,000	1	1	2	1
£110,000 - £120,000	1	-	1	1
£120,000 - £130,000	-	1	1	-
£130,000 - £140,000	1	1	2	1
	3	19	22	28

Of the 22 employees above, all are members of the defined contribution scheme. Payments made to the defined contribution scheme on behalf of those individuals amounted to £79,394 for the year. Of the above employees, 3 are included as a result of salary payments paid during the year and additional termination payments made.

Employee costs during the year:	2015	2014
	£'000	£'000
Wages and salaries	131,377	138,959
Social security costs	8,730	9,336
Pension costs	1,798	1,799
Total as staff costs as per note 6a	141,905	150,094
Capitalised Kinetic staff costs	237	203
Benefits in kind	134	148
Total employee costs	142,276	150,445

Included in the above, are amounts paid to temporary staff during the year totalling £5.3m (2014: £3.4 m).

The estimated average number of employees, in terms of full time equivalents, analysed by function, were:

	2015	2014
	No.	No.
Supporting people	5,433	5,656
Engaging and influencing key stakeholders	136	173
Generating voluntary income	41	51
Support	184	197
Governance	8	5
	5,802	6,082

The estimated average number of employees, analysed by function, were:

	2015	2014
	No.	No.
Supporting people	8,199	7,744
Engaging and influencing key stakeholders	160	232
Generating voluntary income	35	88
Support	186	218
Governance	6	5
	8,586	8,287

18. Expenses of the Trustees

During the year, 5 trustees (2014: 9) were reimbursed for out of pocket expenses in relation to travel and subsistence. The total amount reimbursed amounted to £5,253 (2014: £8,917). Members of the board of trustees are not remunerated.

19. Indemnity insurance

Mencap has purchased the following insurance:

i) Fidelity guarantee insurance:

The cost for the year was £32,860 (2014: £31,959)

ii) Professional indemnity and trustees', directors' and officers' insurance

The cost for the year paid by the charity was £22,642 (2014: £22,350).

20. Pension scheme

Mencap operates a number of pension schemes for the benefit of its employees. At 31 March 2009, Mencap's defined benefit scheme was closed to future accruals. This means that Mencap will fund the benefits that staff have earned to that date, but we cannot offer the same benefit moving forward due to the inherent risk involved in running this type of scheme.

Staff are, however, able to save for their retirement through a defined contribution scheme to which Mencap contributes. All contributions are expensed in the year that they are made.

In addition to the above, Mencap also participates in a number of Local Government Pension Schemes in relation to a small number of staff who have transferred over to Mencap. Mencap participates in these schemes by way of admission agreements. In relation to these schemes, Mencap currently has 26 active employees. Full provision has been made according to FRS17 in the financial statements in relation to one of the schemes covering the 25 active staff with a management estimate for the scheme covering just one staff member. However, as the liability per FRS17 is not material, detailed disclosure has been limited so as not to distort or overstate the importance of these schemes within Mencap's overall finances.

Mencap pension scheme

This scheme is valued annually for the purposes of the annual report and accounts. This valuation, which is carried out under specific accounting rules and detailed in full below, is made so that we can account for the pension liability in our balance sheet.

The Trustees of the pension scheme undertake their own formal valuation once every three years. This valuation provides the basis for agreeing the amounts that Mencap will pay each year to fund the scheme. The last valuation for this purpose was undertaken in March 2011 and we subsequently agreed a schedule of contributions, with the pension scheme trustees, to settle the pension deficit over a period of 17 years.

For the year ended 31 March 2015 and going forward, we agreed to make the following cash payments to the scheme:

Period	Payment
For the year ended 31 March 2015	£2.04 million
For the period 1 April 2015 to 31 March 2016	£4 million
For the periods 1 April 2016 to 31 March 2028	£2.1million per annum

At 31 March 2015, the total scheme liabilities were valued at £130 million and the assets at £104 million. The net deficit is therefore £26 million. This compares with a net deficit of £23 million reported in the prior year.

The following assumptions have been used to place a value on the retirement benefit obligations of the charity:

Principal actuarial assumptions (rates are per annum)	At 31 March 2015	At 31 March 2014	At 31 March 2013
Weighted-average assumptions			
Rate of interest/discount rate	3.3%	4.5%	4.4%
Rate of price inflation (RPI)	3.0%	3.4%	3.4%
Rate of price inflation (CPI)	2.0%	2.4%	2.5%
Rate of pension increases	2.9%	3.3%	3.3%

The demographic assumptions used are:

Base Table:

Bespoke 2014 VITA curves

Future improvements:

CMI model with a long term rate of improvement of 1.5% for males and 1.0% for females assuming improvements peak at a later date and a decline in rates for the very old

	At 31 March 2015	At 31 March 2014
Male member aged 65 (current life expectancy)	22.6 years	21.90 years
Female member aged 65 (current life expectancy)	25.2 years	24.20 years
Male member aged 45 (life expectancy at 65)	25.6 years	23.70 years
Female member aged 45 (life expectancy at 65)	27.3 years	26.20 years

Based on this valuation, using methodology which complies with FRS17, a deficit has been identified as follows:

	Fair value at 31 March 2015	Expected return	Fair value at 31 March 2014	Expected return	Fair value at 31 March 2013
	£'000		£'000		£'000
Equities	49,208	6.50%	33,103	5.80%	35,507
Gilts and LDI Funds	31,284	3.50%	27,947	3.30%	-
Bonds	9,732	4.30%	11,083	4.40%	32,626
Property	9,433	6.50%	9,255	4.40%	7,034
Insurance Contracts	2,903	4.50%	2,999	-	-
Net Current assets/insured pensioners	1,635	3.50%	318	3.30%	9,575
Total market value of scheme assets	104,195	-	84,705	-	84,742
Present value of scheme liabilities	(130,002)	-	(107,840)	-	(112,569)
Deficit in the scheme	(25,807)	-	(23,135)	-	(27,827)
Associated deferred tax asset/(liability)	-	-	-	-	-
Net deficit in the scheme	(25,807)	-	(23,135)	-	(27,827)

Analysis of net return on pension scheme:

	Year to 31 March 2015	Year to 31 March 2014
	£'000	£'000
Expected return on pension scheme assets	4,328	3,897
Interest on pension liabilities	(4,784)	(4,896)
Net interest cost	(456)	(999)

Analysis of amounts that would be recognised in other recognised gains and losses:

	Year to 31 March 2015	Year to 31 March 2014
	£'000	£'000
Actual return less expected return on scheme assets	16,194	(3,401)
Experience gains and losses on liabilities	-	-
Changes in assumptions	(18,522)	2,545
Total actuarial loss recognised	(2,328)	(856)

Movement in deficit during the year:

	Year to 31 March 2015	Year to 31 March 2014
	£'000	£'000
Benefit obligation at beginning of year	(107,840)	(112,569)
Interest cost	(4,784)	(4,896)
Actuarial loss	(18,522)	2,545
Past service gain	(1,928)	4,507
Benefits paid	3,072	2,573
Benefit obligation at end of year	(130,002)	(107,840)
Fair value of plan assets at beginning of year	84,705	84,742
Expected return on plan assets	4,328	3,897
Actuarial (loss)/gain	16,194	(3,401)
Employer contribution	2,040	2,040
Benefits paid	(3,072)	(2,573)
Fair value of plan assets at end of year	104,195	84,705
Deficit in scheme at end of year	(25,807)	(23,135)

History of experience gains and losses:

	Year to 31 March 2015	Year to 31 March 2014	Year to 31 March 2013	Year to 31 March 2012	Year to 31 March 2011
	£'000	£'000	£'000	£'000	£'000
Difference between expected and actual return on scheme assets	16,194	(3,401)	8,323	(118)	756
Percentage of scheme assets	16%	(4%)	10%	0%	1%
Experience gains/(losses) on scheme liabilities	(1,095)	-	221	862	(6,586)
Percentage of scheme liabilities	(1%)	0%	0%	1%	(7%)
Actuarial (losses)/gains recognised in funds	(18,522)	(2,545)	(9,293)	(2,161)	9,562
Percentage of scheme liabilities	(14%)	2%	(8%)	(2%)	11%
Cumulative amount of (losses)/gains immediately recognised	(12,412)	(10,082)	(9,226)	67	2,220

The amount paid towards deficit reduction over the year was £2.04 million (2014: £2.04 million).

Local authority pension schemes

Nottinghamshire County Council Pension Scheme

The Nottinghamshire County Council Pension Fund is a defined benefit scheme with 25 members at 31 March 2015. The assets of the scheme are held separately from those of the charity in an independently administered fund.

The agreed employer's contribution rates for the year to March 2015 was 11.1% and were expensed during the year. Contributions have been set at 11.1% for 2015/16.

The FRS17 valuation at 31st March 2015 revealed that Mencap's share of liabilities of the scheme exceeded the value of Mencap's share of the scheme's assets by £1,491,000. The movement in this deficit has been treated as an expense during the year and is included in the Balance Sheet.

Staffordshire County Council Pension Fund

The Staffordshire County Pension Fund is a defined benefit scheme. The assets of the scheme are held separately from those of the charity in an independently administered fund.

The agreed employer's contribution rates for the year ended March 2015 was 19.6%. This will rise annually 20.6% in 2015/16 to reach 21.6% for the year 2016/2017. These contributions are expensed during the year.

The FRS17 valuation at 31st March 2014 revealed that Mencap's share of liabilities of the scheme exceeded the value of Mencap's share of the scheme's assets by £48,000. As any movements in the deficit would not be material to the accounts, an FRS17 valuation has not been obtained for the year ended 31 March 2015.

Mencap has one active member of the pension scheme.

Other local government pension schemes

Mencap also participate in four other Local Government Pension Schemes. However, as there no remaining active member, and in view of the cost of obtaining FRS17 disclosures and the likely liability being immaterial in the context of overall Mencap results no account or disclosures are made for these three schemes.

Dyfed Pension Fund	No active members
Clwyd Pension Fund (Flintshire)	No active members
Powys Pension Fund	No active members
Shropshire County Pension Fund	No active members

Key data

A summary of key data and assumptions from the 31 March 2015 FRS17 valuation is shown below for the Nottinghamshire County Council Pension Fund. The full disclosures normally required to be made under the provisions of FRS 17 have not been given as the schemes are not material to the charity's financial statements.

Nottinghamshire County
Council Pension Fund
2015 %p.a.

Principal assumptions	
Pension increase rate	2.60%
Rate of RPI inflation	3.40%
Rate of CPI inflation	2.60%
Salary increase rate	4.40%
Discount rate	3.50%
Mortality rate assumption life expectancy at age 65	
	Years
Current male pensioners	22.1
Current female pensioners	25.2
Future male pensioners	24.2
Future female pensioners	27.6
Amounts recognised in the balance sheet	
	£'000
Fair value of scheme assets	1,661
Present value of funded obligations	(3,152)
Deficit	(1,491)

	2015	2014
	£'000	£'000
Actuarial losses on defined benefit schemes		
Mencap pension scheme	(2,328)	(856)
Nottinghamshire County Council Pension Fund	(510)	(303)
Shropshire County Pension Fund	-	-
	(2,838)	(1,159)
Defined benefit pension liability		
Mencap pension scheme	(25,807)	(23,135)
Nottinghamshire County Council Pension Fund	(1,491)	(928)
Shropshire County Pension Fund	-	-
Staffordshire County Pension Fund	(48)	(48)
	(27,346)	(24,111)
FRS17 expenditure movement		
Mencap pension scheme	344	(5,548)
Nottinghamshire County Council Pension Fund	53	625
Shropshire County Pension Fund	-	(123)
Staffordshire County Pension Fund	-	2
	397	(5,044)

21. Operating lease commitments

At 31 March 2015 the group had the following annual commitments amounting to £3,570k (2014: £2,955k) under non cancellable operating leases:

	Land and buildings 2015 £'000	Land and buildings 2014 £'000
Leases which expire		
Within one year	807	657
Within two to five years	1,382	911
After five years	1,381	1,387
	3,570	2,955

22. Related parties

Fred Worth, who was a trustee of Mencap until 16 October 2014, is also a Director of the Social Investment Business (SIB) whose wholly owned subsidiary is Futurebuilders England Limited (FBE). In March 2010 Mencap obtained a loan of £450,000 (which was repaid in full on 02/03/2015) and a revenue grant of £50,000 from the Modernisation Fund run by the FBE. In May 2011, Mencap drew down a further long term loan of £2.2 million (balance as at 31 March 2015 £1.67 million) from the FBE.

Mencap has taken advantage of the exemption given by the Financial Reporting Standard 8, Related Party Disclosures, from disclosing transactions with subsidiaries. These subsidiaries are listed in Note 13.

23. Post balance sheet events and discontinued activities

Towards the end of the previous financial year, Mencap transferred ownership of all its three colleges, Lufton, Dilston and Pengwern, to a new provider, Cambian Whinfell School Limited, with the transaction completing on 3 June 2014.

The incoming resources and resources expended relating to this discontinued operation are detailed below both for the current and previous financial year. The current financial year covers the period 1 April 2014 to 3 June 2014.

	2015 £'000	2014 £'000
Income		
Statutory funders	2,560	13,368
Individuals	24	161
Fundraising	1	12
Trading	4	26
Other income	86	241
Total income of discontinued activities	2,675	13,808
Total expenditure of discontinued activities	2,597	13,386
Operating surplus/(deficit) of discontinued activities	78	422

24. Capital commitments

Royal Mencap Society is currently undertaking two capital projects.

One of the projects involves the development and implementation of software within the Direct Services to support improved planning and deployment of support staff to the people that Mencap support. As at 31 March 2015, Mencap had a contractual commitment to the contractor for the use of 86 days of their specialists, amounting to £72,240.

The second capital commitment relates to the design and construction of a Children and Families' Centre in Northern Ireland, which will house Mencap's Segal House Nursery which has outgrown its current premises in Belfast. At 31 March 2015 Mencap had a contractual obligation to pay the contractor £2,078k for future construction work.



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