

MENCAP LIVERPOOL
TRUSTEES' ANNUAL REPORT
AND
FINANCIAL STATEMENTS
FOR THE YEAR END
31ST MARCH 2018

Company number: 02146838

Charity Number: 1004262

Chair's Report

As I write this Chair's report, I'm looking back on the charity's achievements over the last financial year, but also looking ahead to the probability that in 6 months or so, we will have exited the European Union and all of the uncertainty that brings for a small organisation like ours. Fortunately, whatever your view of whether Brexit will be a success or not, I feel confident enough to tell you this. Looking back at our achievements over the past year and more tells me that our charity is brilliant at dealing with uncertainty. As life gets tougher for those that we are there to support and demand for our services increases, whilst funding shows no signs of being easier to come by, we continue to sail a steady ship and make progress against our five strategic objectives. In 2017/18 we held our first awards evening, a personal highlight of the year for me, and I am looking forward immensely to our second awards evening on 8th November when we can celebrate some of the individual stories behind that progress. I hope you can join me there, but in the meantime, please enjoy reading about the charity's achievements in this report. Many thanks to my fellow trustees for their help in preparing this and as ever, all credit for stories underpinning it goes to our chief executive, staff team, members and supporters. Thank you for your continuing endeavours.

OBJECTIVES AND ACTIVITIES

Our vision is a world where everyone is valued equally, listened to and included: where everyone has the opportunity to achieve.

Mencap Liverpool's mission is to make that vision a reality for individuals living in Liverpool who have a learning disability.

Our Strategic Objectives:

- Prevent social isolation and exclusion of people who have a learning disability
- Progression - help our members to make real, tangible progress towards their goals
- Packaging - facilitate members to share their lived experience for their benefit and for the benefit their peers and involve members in the delivery of our income generation activities.
- Establish a sound governance and management structure for the organisation
- Build a sustainable future for Mencap Liverpool

Public Benefit

The trustees have considered the Charity Commission's guidance on public benefit when reviewing the charity's aims and objectives and planning future activities. We provide most of our services completely free of charge or for a nominal contribution, irrespective of our beneficiaries' ability to pay. Our only criteria are that beneficiaries have to:

1. Live in the Liverpool area
and
- 2a. Have a learning disability (which does not have to be formally diagnosed) or
- 2b. Be a family member of someone with a learning disability - or have unpaid caring responsibilities for someone with a learning disability.

The reality is that very few, if any, of our beneficiaries with a learning disability could afford to pay and this is why they are reliant on our services.

Referrals to Mencap Liverpool continue to come primarily from Mersey Care NHS Foundation Trust, Job Centres and Liverpool Social Services. Other sources include self-referrals and Merseyside Police. Most referrals are from organisations with whom we already have a strong relationship.

Over the last year we received 80 referrals, which is yet another increase (67, 2017). The most common reasons for referral included:

- social isolation
- financial crisis
- travel training

However, the proportion of appropriate referrals has fallen, so the number of accepted referrals has increased only slightly. This perhaps reflects the shortage of appropriate services in other areas as pressures continue to be felt across the public and third sectors.

In August we began our Impact Management Programme, funded through Access. This programme of work has helped the staff identify our target population and develop referral pathways. This means we can be clearer with referral partners and also means we can quickly refer on individuals who do not fit our criteria. This has meant individuals receiving the service they need more quickly.

ACHIEVEMENTS AND PERFORMANCE- Our Impact

The past year has been another successful year for Mencap Liverpool, in particular we have strengthened relationships with key partners. Our activities in 2017-18 have been focused on:

- reducing social isolation through the provision of travel training and activities enabling members to establish strong peer support networks
- improving financial literacy through the development and co-delivery of our workshops and easy-read factsheets
- working with our members to improve their health, and to support the health of other people in Liverpool with a learning disability;

Through the Impact Management Programme the staff team have worked along Lisa Lucas, our Approved Provider-Eastside Primetimers) to develop our outcomes framework. We now have an established process for measuring and recording progress against our seven outcomes:

Health & Wellbeing

We now run a wide range of physical activity sessions during the week, with weekly tennis and walking groups added to the programme, as well as more regular 'Wheels for All' sessions.

MENCAP LIVERPOOL

TRUSTEES' REPORT FOR THE YEAR ENDED 31ST MARCH 2018

We've also added in confidence building and mindfulness courses to help develop good mental wellbeing.

Our weekly programme for 2017-18:

Monday- confidence building (lunchtime), walking and running groups(pm)

Tuesday- Mindfulness course

Wednesday- tennis(am), dance (pm)

Friday- boxing (am) and five a side football (pm)

I like going to tennis as we work as a team, it gets us fit and its fun, I like tennis and its been great to start playing. – Adam

In January we began a small pilot with a group of members needing more intensive support to improve their physical health. The members chose the name Transformation and they meet each week after Thursday drop in. Funding to continue and expand this work has been secured from the Steve Morgan Foundation (salary costs June 2018-21) and Medicash (project costs 2018-19)

As well as the members increasing their physical activity, these sessions help widen members' horizons as all of the sessions (except confidence building) are delivered outside of the office. Tennis is delivered at the Liverpool Tennis Centre, boxing is at The Belve, cycling and football at Greenbank, dance at the University and Mindfulness at the Quaker Meeting House.

Quality of Life

We work to improve the quality of life for our members, primarily through the provision of social activities, which give those who are isolated and often lacking in confidence, opportunities to make friends and have fun in a safe supportive environment.

This is arguably the most successful of our seven outcome areas with all members reporting positive progress. When asked in our 2018 survey 'What did you find helpful when you came to Mencap Liverpool?' 100% of members chose, 'making new friends' followed by 'improved confidence' 74%, and 'improved health & wellbeing' 71%.

John Moores Foundation (JMF) supported Mencap Liverpool's social activities with a grant of £15,000 over 3 years 2015-2018. In the final year of the grant we have continued to expand our programme of social activities, so those coming along to gents' group, women's group, Wednesday social and Thursday drop in, have had more exciting opportunities to engage with all the many varied opportunities on offer in Liverpool. More than 80 members accessed our socials this year.

Making a positive contribution

Our members continue to make positive contributions in many ways. This year we have seen members volunteer as peer-mentors in our #EasyMoney and Getting Travel to Work projects. Other members have volunteered as Experts by Experience in the training of clinical psychology students and 3rd year medics. (Three members, between them trained over 300 medics during 2017-18).

Members also continue to act as Accessibility Consultants on a regular basis, checking Easy Read Work and providing Easy Read Training. Encouragement from staff has enabled some members to take on volunteering roles in other organisations, increasing their skills, experience and self-esteem.

Freedom from Discrimination and Harassment

This year we have focused on keeping safe when travelling (as part of our Travel to Work project) and fair access to financial services as part of the #EasyMoney project.

We have also been working with the British Institute of Human Rights to maximise the usability of the resources they produced for people with a learning disability and autism, and in autumn 2018 we'll be working with BIHR and Twin Vision to produce some video resources with members.

Economic Wellbeing

In 2017-18 we were one of only three projects to receive a Money Advice Trust 'innovation grant'. The grant enabled us to co-design an 8-week series of money advice workshops designed for adults with a learning disability, who were responsible for managing their household finances. The workshops were designed with our Big Lottery Help through Crisis partner, Raise, alongside a group of members, who informed the content. The workshops were then tested by four co-horts throughout the year and the workshops refined each time. A member of the Raise team co-delivered the workshops with project co-ordinator Charlotte and also provided 1-2-1 support for participants where needed.

"I am more confident now. Before I was struggling to save but now I've stopped wasting my money and I always look for the best deals when I am shopping"

Alongside the course, we also co-developed a series of 24 Easy Read factsheets on the topics covered in the workshops. Both the Easy Read Factsheets and the Workshop materials can be downloaded for free from:

Choice and Control

Not being able to travel independently hugely affects an individual's life opportunities. From April-December 2017, we supported 26 members to increase their skills, confidence and awareness when travelling on public transport. All of whom will receive an accredited award through Open Awards, for Skills for Traveling in the Community. Some were supported to learn new routes in order to access possible job or volunteering opportunities. Others were supported to access places like Greenbank College, where some were then able to access employability programmes. We also run the five-a-side football at Greenbank and most of the team now meet

up to travel together, increasing their independence as well as growing stronger social connections.

Our GettingTravelToWork project was funded through our third European Social Fund Community Learning grant. This is the third ESF Community grant we've received since 2012, which has been a crucial stream of funding for this area of work. Unfortunately, it is not clear how this area of funding will be replaced after Brexit.

Personal Dignity

As part of the evaluation of our Big Lottery Funded Help Through Crisis project, #WhatHelpedMe, we undertook a member survey in 2017-18. The questions were designed by our evaluation subgroup, comprising evaluator Jan Sloan and three members. The survey was delivered by individual interview.

'A majority of respondents (over 93%) gave answers, which clearly indicated that prior to coming to Mencap Liverpool they had been isolated at home without much structure or purpose to their lives.

The effects of this on all aspects of their wellbeing had been significant'

Another key finding was the role of staff in helping people to progress:

'the relationships built up over a long period of time are a key factor in helping people to successfully resolve problems which could otherwise escalate into crisis. When specifically asked where they would go for help in a crisis the majority of respondents (93%) said they would speak to one of the Mencap Liverpool staff.'

Member comments included:

"It's just brilliant here. They have helped me to be happy and feel myself again".

Our befriending service is another way in which we work to build personal dignity. We think that having a friend who shares your interests and who wants to spend time with you because they enjoy your company, is one of the most effective ways of building self-esteem in our members. Thanks to funding from a variety of trusts, we have been able to continue our befriending work and have recruited a new crop of befrienders who are ready to start.

Sustainable Future

a. Volunteers

Finding time to effectively recruit, train and manage new volunteers continues to be a struggle where there is no dedicated resource, and staff are so busy supporting a much larger number of engaged members. This year we were one of the Guild's Key Charities, enabling us to recruit more students from the University of Liverpool. This has been useful, but many of our volunteers have moved on to paid roles and so our numbers have remained consistent.

b. Fundraising

Fundraising income has grown significantly again this year. Our fundraising manager Kevin has worked hard to build on existing relationships and introduce new events to our calendar. Our inaugural Golf Day in May, and our Awards ceremony in November, were both a great success. Our fundraising income, which is largely unrestricted, is essential to our holistic approach to working with members. It helps to fill the spaces between funded projects, ensuring members do not fall between the gaps.

c. Earned Income and Accessibility services

Through our work with EY, we have identified that producing easy read materials for third party organisations is not financially viable with our current resources. Instead we are focusing on providing a checking service, working mainly with Easy Read Online. This work, as well as providing a slightly better return for our time, involves our members and helps develop their skills. We have also developed Easy Read Training, so that we can support organisations to produce their own accessible materials. We consider this to be a more effective way of achieving our mission – 'a world where everyone is valued equally, listened to and included'.

FINANCIAL REVIEW

We continue to operate in uncertain times with most commentators agreeing that the effect of Brexit will inevitably affect funding in the Sector. Against this background we continue to not only survive, but also to look ahead with some confidence thanks to the sterling efforts of our Chief Executive and staff.

In addition, the Board continue to monitor the financial position on a monthly basis and accurate and timely reporting is the key to keeping abreast of the management accounts and the ever-important cash flow position.

Total income for the year was £248,368 (2017: £239,377) of which £182,953 (2017: £164,686) related to funding for projects upon which restrictions are placed.

Total expenditure for the year was £260,117 (2017: £237,876) plus a small investment loss of £3,444 resulting in a deficit of £15,193 as against a surplus of £5,551 in the previous year.

At the year end the charitable company's reserve stood at £73,978 (2017: £89,171) of which £30,807 represent restricted funds.

Whilst income continued to benefit from the Big Lottery Fund Grant – Help Through Crisis £96,669 and European Social Fund – Community Learning Grant £12,484, additional restricted funding amounted to £73,800 notably Social Investment Business (Impact Management

Programme) £36,000 and Money Advice Trust £30,000. Fundraising contributed a significant amount again £53,394, as against £42,282 in 2017. This is testament to the efforts of all involved, spearheaded by our Fundraising Manager, and we must applaud that success in a very competitive field.

Costs continue to be monitored and controlled closely. The key economic indicators of debtors, creditors and cash flow are moving in the right direction which gives the Board great confidence for the year ahead.

Irrecoverable VAT continues to be a burden that we, like all charities, have to bear and continues to impact on our expenditure this year to the tune of approximately £10,500.

Investments

The trustees, having regard to the cash flow requirements of the charity, have sought to maintain an amount equivalent to 3 months running costs within the investments currently held with St James Place. The management of the charity's investments were reviewed during the last financial year and we received an enlightening insight from the Fund Manager of Quilter Cheviot who are specialists in the charity sector. Consequently we revised and agreed a new investment policy but we have not had the opportunity to further consider moving our investments. This must be a priority for the coming financial year.

Going Concern

On 10th March 2016 we were awarded a major five-year Big Lottery grant, through the Help Through Crisis programme.

Our Impact Management Programme Access grant of £49,056 runs until August 2018. The grant has enabled the charity to better demonstrate our impact and we are confident that this will lead to increased funding success in the future as well as increased effectiveness.

For 2018-19, the charity has secured major grants from Medicash (£5,104), the Steve Morgan Foundation (£67,636 for 2018-21), the Baily Thomas Charitable Trust (£30,000 for June 2018-19). We are also pleased to announce that we are one of 20 recipients of a Weston Charity Award 2018-19, which comes with £6,500 of unrestricted funding and a year's worth of support from PilotLight.

With our anticipated income from unrestricted fundraising activity, we are projecting a small surplus for the 2018-19 financial year. The trustees are therefore confident the Mencap Liverpool will remain a going concern for the foreseeable future.

Designated Funds and Reserves Policy

In 2017-18 the trustees agreed to continue with our policy to designate a specific amount of funds to cover the rent liability on 9 Lydia Ann Street, in order to ensure the charity has sufficient funds to secure suitable premises from which to run its operations. This designated fund decreases each month in line with the reduced rent liability.

In addition to this amount, it is our policy is to hold an amount equivalent to 3-6 months running costs (less the rent) as an operating reserve to meet the following requirements:

For:

- a. **WORKING CAPITAL**- we aim to hold up to 2 months running costs. This would enable the charity to take on a contract worth up to a third of our total business and be paid up to 6 months in arrears without adversely impacting our core activities.
- b. **CONTINUITY**- we aim to hold 3 months running costs - this would enable us to lose 50% of our funding, with no warning and still have 6 months to replace it. With Mencap Liverpool's current funding portfolio, this scenario would be extremely unlikely. However, the trustees have due regard to our risk register, ensuring we can understand and minimise this risk (however small).
- c. **PARTICULAR RISKS/PROJECT** - up to 1 month. This is a small but crucial amount, allowing the charity to react to a particular area of need or test out a new project before we have been able to secure funding to cover the costs. This requirement is separate to working capital since in this instance, the initial outlay would not be replaced by secured incoming funds.

Having reviewed the charity's current position, the trustees consider the above policy to be appropriate for 2018-19.

Risk management

The trustees continue to review the risks to which the charity is exposed to ensure we have sufficient policies and procedures in place to remove, reduce and manage key risks.

Key risks continue to be:

- **Operational:** Loss of key staff. The board review staff salaries at least annually and staff receive regular 1-2-1s and annual appraisals. The board continue to consider how to support and work with the staff team.
- **Financial risks:** although the charity has far greater financial stability for 2018-19, now we have a much smaller operational reserve, we need to manage cash flow carefully and so continue to review our cash position each month.
- **Risks to beneficiaries:** As we seek to give members more responsibility for delivery, there is an associated increase in risk which cannot (and should not) be removed. This increase in risk is necessary for the delivery of the charity's strategy and can be managed by ensuring policies and procedures are effectively communicated (e.g. via easy read) and competent staff are well supported.

PLANS FOR FUTURE PERIODS

As in previous years, our focus will continue to be on working with those people who do not receive support from elsewhere, especially those who have no paid support, nor any support from family members. For this group, we provide an essential safety net to stop people falling through the gaps. This group, almost by definition are hard to reach and by the time we receive a referral, the individual may require a considerable input to prevent crisis and reach a position where progression is achievable.

We will be applying some resources specifically to help us reach the 'hardest to reach' individuals, including closer partnership working with foodbanks and GP surgeries.

We are also concerned about the roll out of Universal Credit (UC) in Liverpool and the impact that this will have on our members, many of whom still lack the required bank account let alone sufficient internet access and skills required to use the system. We will be working closely with our partners, St Andrew's Community Network and Raise, both of whom are employing UC workers.

Finally, we are looking forward to applying the processes developed as part of our Impact Management Programme, so that we can continue to gather reliable data showing the impact of our work and helping us to continually improve.

STRUCTURE, GOVERNANCE AND MANAGEMENT

Governing document

The society is a registered charity constituted as a company limited by guarantee and is governed by its Memorandum and Articles of Association.

Trustees

The trustees, who are also directors for the purposes of charitable law, and who served during the year can be found on the next page. At the charity's AGM on 16th November 2017, Matt Smith was re-elected as Chair. Steve Mahon and Carolyn McConnell were re-elected as Treasurer and Secretary respectively. Alan Griffiths stepped down as Vice Chair and Trustee. Carolyn was chosen to act as Vice-Chair at the subsequent board meeting (4th December 2017).

Recruitment, Induction and Training of Trustees

The board of trustees aims to maintain a membership of between seven and nine members, representing a wide range of backgrounds, skills and relevant experiences. In particular we aim to ensure that at least two trustees have a personal experience of learning disability. A small bio of the charity's current trustees is maintained on the following webpage:

<http://www.mencapliverpool.org.uk/about-us/meet-the-team/our-trustees/>

The board regularly review its membership in light of the changing needs of the charity and will then approach or advertise for potential trustees who may meet the gaps identified. Following a conversation with the Chair and Chief Executive, a potential trustee is invited to attend a minimum of three board meetings before a decision is made whether to co-opt them to the

MENCAP LIVERPOOL

TRUSTEES' REPORT FOR THE YEAR ENDED 31ST MARCH 2018

board. In order to make a fully informed decision, potential trustees receive key financial and strategic information about the charity as well as general information about becoming a trustee (such as the Charity Commission guidance CC3). They also are invited to member activities to meet members and staff. Co-opted trustees stand for election at the following AGM. All trustees are encouraged to attend appropriate external training events where these will facilitate the undertaking of their role.

REFERENCE AND ADMINISTRATIVE DETAILS

Trustees

Mr M Smith (Chair)

Mr S Mahon (Treasurer)

Ms C McConnell (Secretary)

Dr E Greenhill

Mr P Corfield

Ms Maria Cabrera

Company Secretary Sarah Jones

Charity number 1004262

Company number 0214 6838

Registered Office 9 Lydia Ann St
Liverpool
L1 5PW

Independent Examiner Graham Wright BA (Hons) FCA DChA
Liverpool Charity and Voluntary Services
151 Dale Street Liverpool
L2 2AH

Bankers Bank of Scotland
Gordon St
Glasgow
G1 3RS

Key management personnel and Staff pay

The board consider that the trustees (who are also directors of the limited company), together with the Chief Executive comprise the key management personnel of the charity in charge of directing and controlling, running and operating the Charity on a day to day basis. All trustees give of their time freely and no director received remuneration in the year. Details of trustees' expenses and related party transactions are disclosed in note 13 to the accounts.

The pay of all staff is reviewed annually and where the charity can afford to do so, a cost of living increase is normally awarded in line with RPI. An increase of 1% was applied on 1st April 2017. Salary levels are also reviewed before any new post is advertised. The trustees aim to benchmark against pay levels in charities of a similar size, doing comparable roles. The trustees have committed to paying the Living Wage since 2013-14 (as recommended by the Living Wage Foundation). The pay ratio of highest to lowest earners in the organisation is 1.83 to 1 (1.81 to 1 in 2017).

Related parties.

None of our trustees receive remuneration or other benefit from their work with the charity. Any connection between a trustee and any related party must be disclosed to the full board of trustees. In 2017-2018 no new related party transactions were reported.

Small Company Provisions

This report has been prepared in accordance with special provisions relating to small companies within Part 15 of the Companies Act 2006.

STATEMENT OF TRUSTEES RESPONSIBILITIES

Company law requires the trustees to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the charitable company as at the balance sheet date and of its incoming resources and application of resources, including income and expenditure, for the financial year. In preparing those financial statements trustees should follow best practice and:

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

The Trustees are responsible for maintaining proper accounting records which disclose with reasonable accuracy at any time the financial position of the charitable company and to enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the charitable company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities. This report has been prepared in accordance with the Charities Act 2011, Companies Act 2006, Accounting and Reporting by Charities: Statement of Recommended Practice (SORP2015) applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS102)(effective 1st January 2015).

ON BEHALF OF THE BOARD
.....**Matthew Smith**

Chair of Trustees and Company Director

9 Lydia Ann St
Liverpool
L1 5PW

Date:.....21.11.18.....

INDEPENDENT EXAMINER'S REPORT TO THE TRUSTEES OF MENCAP LIVERPOOL

Respective responsibilities of trustees and examiner

I report on the accounts of the charitable company for the year ended 31st March 2018, which are set out on pages 14 to 26.

The trustees (who are also the directors of the company for the purposes of company law) are responsible for the preparation of the accounts. The trustees consider that an audit is not required for this year under section 144(2) of the Charities Act 2011 (the 2011 Act) and that an independent examination is needed.

It is my responsibility to:

- examine the accounts under section 145 of the 2011 Act,
- to follow the procedures laid down in the general Directions given by the Charity Commission (under section 145(5)(b) of the 2011 Act, and
- to state whether particular matters have come to my attention.

Basis of independent examiner's statement

My examination was carried out in accordance with general Directions given by the Charity Commission. An examination includes a review of the accounting records kept by the charity and a comparison of the accounts presented with those records. It also includes consideration of any unusual items or disclosures in the accounts and seeking explanations from the trustees concerning any such matters. The procedures undertaken do not provide all the evidence that would be required in an audit, and consequently no opinion is given as to whether the accounts present a 'true and fair' view and the report is limited to those matters set out in the statement below.

Independent examiner's statement

In connection with my examination, no matter has come to my attention:

- (1) which gives me reasonable cause to believe that in, any material respect, the requirements:
 - to keep accounting records in accordance with section 386 of the Companies Act 2006; and
 - to prepare accounts which accord with the accounting records and comply with the accounting requirements of section 396 of the Companies Act 2006 and with the methods and principles of the Statement of Recommended Practice: Accounting and Reporting Charitieshave not been met; or
- (2) to which, in my opinion, attention should be drawn in order to enable a proper understanding of the accounts to be reached.

Name: **Mr. Graham Wright**

Relevant professional qualification or body: **FCA DChA**

Address: **c/o LCVS, 151 Dale Street, Liverpool, L2 2AH**

Dated: 28 November 2018



MENCAP LIVERPOOL
**STATEMENT OF FINANCIAL ACTIVITIES (including Income & Expenditure)
FOR THE YEAR ENDED 31ST MARCH 2018**

| | Notes | Unrestricted funds 2018 £ | Restricted income funds 2018 £ | Total funds 2018 £ | Prior year funds 2017 £ |
|--|-------|------------------------------------|--|--------------------------|----------------------------------|
| Income and endowments from: | | | | | |
| Donations and legacies | 3a | 4,820 | - | 4,820 | 9,197 |
| Charitable activities | 3b | 5,193 | 182,953 | 188,146 | 185,763 |
| Other trading activities | 3c | 53,394 | - | 53,394 | 42,282 |
| Investments | 3d | 2,008 | - | 2,008 | 2,135 |
| Total Income | | 65,415 | 182,953 | 248,368 | 239,377 |
| Expenditure on: | | | | | |
| Raising funds | | 32,914 | - | 32,914 | 28,506 |
| Charitable activities | 4 | 31,405 | 195,798 | 227,203 | 209,370 |
| Total Expenditure | | 64,319 | 195,798 | 260,117 | 237,876 |
| Net income/(expenditure) | | 1,096 | (12,845) | (11,749) | 1,501 |
| Net (loss)/gains on investments | 6 | (3,444) | - | (3,444) | 4,050 |
| Net income/(expenditure) | | (2,348) | (12,845) | (15,193) | 5,551 |
| Transfers between funds | | (4,922) | 4,922 | - | - |
| Net movement in funds | | (7,270) | (7,923) | (15,193) | 5,551 |
| Total funds brought forward | 10,11 | 50,441 | 38,730 | 89,171 | 83,620 |
| Total funds carried forward | 9-11 | 43,171 | 30,807 | 73,978 | 89,171 |

MENCAP LIVERPOOL
BALANCE SHEET AS AT 31ST MARCH 2018

| | Notes | 31st March 2018 | | 31st March 2017 | |
|---|-------|-----------------|---------------|-----------------|---------------|
| | | £ | £ | £ | £ |
| Fixed assets | | | | | |
| Tangible assets | 5 | | 4,553 | | 2,338 |
| Investments | 6 | | 34,759 | | 58,203 |
| | | | <u>39,312</u> | | <u>60,541</u> |
| Current assets | | | | | |
| Debtors | 7 | 15,385 | | 8,188 | |
| Cash at bank and in hand | | <u>33,665</u> | | <u>37,268</u> | |
| | | 49,050 | | 45,456 | |
| Creditors: amounts falling due within one year | 8 | <u>(14,384)</u> | | <u>(16,826)</u> | |
| Net current assets/(liabilities) | | | 34,666 | | 28,630 |
| Total assets less current liabilities | | | <u>73,978</u> | | <u>89,171</u> |
| Funds of the Charity | | | | | |
| Unrestricted funds | 9,10 | | 43,171 | | 50,441 |
| Restricted Funds | 9,11 | | <u>30,807</u> | | <u>38,730</u> |
| Total funds | B22 | | <u>73,978</u> | | <u>89,171</u> |

These financial statements have been prepared in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS102)

These accounts have been prepared in accordance with the provisions applicable to small companies subject to the small companies' regime and in accordance with FRS102 SORP.

For the period covered by these accounts the company was entitled to exemption under section 477 of the Companies Act 2006 relating to small companies.

No members have required the company to obtain an audit of its accounts for the year in question in accordance with Section 476 of the Companies Act 2006

The Trustees, who are directors of the company, acknowledge their responsibility for complying with the requirements of the Act with respect to accounting records and the preparation of financial statements.

Approved by the Board on..... 21/11/18

Schneider

Mr S Mahon Director

1. Limited Liability

The Charity is a company limited by guarantee. Each member's liability is limited to £1

2. Accounting Policies

Basis of accounting

The accounts have been prepared under the historical cost convention with items recognised at cost or transaction value unless otherwise stated in the relevant note(s) to these accounts. The financial statements have been prepared in accordance with the Statement of Recommended Practice: Accounting and Reporting by Charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS102) (SORP 2015) (effective 1 January 2015), Charities Act 2011 and the Companies Act 2006.

The accounts are prepared in sterling, which is the functional currency of the charity. Monetary amounts in these financial statements are rounded to the nearest £.

The Charity has taken advantage of the provisions in the SORP for Charities applying FRS 102 Update Bulletin 1, not to prepare a Statement of Cash Flows.

Going concern

At the time of approving the accounts, the trustees have a reasonable expectation that the charity has adequate resources to continue in operational existence for the foreseeable future. Thus the trustees continue to adopt the going concern basis of accounting in preparing the accounts.

Fund accounting

Unrestricted funds are the charity's free reserves available for the trustees to apply in accordance with the charitable company's charitable objectives.

Restricted funds are subject to specific restrictive conditions imposed by the donor. All restricted funds are accounted for as restricted income and expenditure for the purposes is charged to the fund.

Income recognition

All income is recognised once the charity has entitlement to the income, there is sufficient certainty of receipt and so it is probable that the income will be received, and the amount of income receivable can be measured reliably.

Donations and legacies comprise of donations and general grants which are recognised in the accounts when received, with the exception of known legacies which are accounted for when their receipt is certain.

Income from charitable activities is recognised on an accruals basis except for grants receivable, which are recognised on the date on which their unconditional payment is confirmed by the donor.

Other trading income relates to fundraising income and is recognised when the amount is certain. Income from investment relates to bank interest and income from investments received and is recognised when the amount is certain.

Expenditure Recognition

Liabilities are recognised as soon as there is a legal or constructive obligation committing the charitable company to that expenditure, it is probable that settlement will be required, and the amount of the obligation can be measured reliably.

All expenditure is accounted for on an accruals basis. All expenses, including support costs and governance costs, are allocated or apportioned to the applicable expenditure headings in the Statement of Financial Activities. Support and governance costs are applied to unrestricted funds unless specifically included in the restrictions, as specified by the donor.

Expenditure on charitable activities relate to the operation of the charity comprising of direct charitable expenditure to meet the objectives of the charitable company. Support and governance costs relate to the management and operation of the organisation and also compliance with constitutional and statutory requirements in producing the annual report. These are dealt with in the Statement of Financial Activities when payment has been approved by the charitable company.

Fixed Assets

Capital expenditure is stated in the balance sheet at cost less accumulated depreciation. Depreciation is provided to write off the cost of each asset over its expected useful life as below:

Fixtures, Fittings equipment 33.33% per annum straight line basis

Investments

Investments are included at market value. Realised and unrealised gains and losses are reported in the Statement of Financial Activities.

Cash and cash equivalents

Cash and cash equivalents include cash in hand, deposits held at call with banks other short-term liquid investments with original maturities of three months or less, and bank overdrafts.

Financial instruments

The charity has elected to apply the provisions of Section 11 'Basic Financial Instruments' and Section 12 'Other Financial Instruments Issues' of FRS 102 to all of its financial instruments.

Financial instruments are recognised in the charity's balance sheet when the charity becomes party to the contractual provisions of the instrument.

Financial assets and liabilities are offset, with the net amounts presented in the financial statements, when there is a legally enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

Basic financial assets

Basic financial assets which include debtors and cash and bank balances, are initially measured at transaction price including transaction costs and are subsequently carried at amortised cost using the effective interest method, unless the arrangement constitutes a financing transaction, where the transaction is measured at the present value of the future receipts, discounted at a market rate of interest. Financial assets classified as receivable within one year are not amortised.

Basic financial liabilities

Basic financial liabilities, including creditors and bank loans are initially recognised at transaction price unless the arrangement constitutes a financing transaction, where the debt instrument is measured at the present value of the future receipts discounted at a market rate of interest. Financial liabilities classified as payable within one year are not amortised.

Debt instruments are subsequently carried at amortised cost, using the effective interest rate method.

Derecognition of financial liabilities

Financial liabilities are derecognised when the charity's contractual obligations expire or are discharged or cancelled.

Taxation

Income and gains are exempt from taxation as they are received and applied for charitable purposes only. The charitable company benefits from various exemptions from taxation afforded by tax legislation and is not liable to corporation tax on income or gains falling within those exemptions.

Critical accounting estimates and judgements

In the application of the charity's accounting policies, the trustees are required to make judgements, estimates and assumptions about the carrying amount of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an on-going basis. Revisions to accounting estimates are recognised in the period in which the estimate revised where the revision affects only that period, or in the period of the revision and future periods where the revision affects both current and future periods.

3. Income and Endowments from:

| | Unrestricted Funds 2018 £ | Restricted Funds 2018 £ | Total 2018 £ | Total 2017 £ |
|--|------------------------------------|----------------------------------|--------------------|--------------------|
| a. Donations and Legacies | | | | |
| Donations | 1,720 | - | 1,720 | 3,969 |
| Legacies | - | - | - | - |
| General Grants | 3,100 | - | 3,100 | 5,228 |
| | 4,820 | - | 4,820 | 9,197 |
| b. Charitable activities | | | | |
| Big Lottery Fund Grant- Help Through Crisis | - | 96,669 | 96,669 | 89,575 |
| Cabinet Office Grant - Local Sustainability Fund (Administered by Big Lottery Fund) | - | - | - | 41,620 |
| Carillion RLBHUT Fund | - | - | - | 1,000 |
| European Social Fund - Community Learning Grant | - | 12,484 | 12,484 | 12,484 |
| Health and Social Care Volunteering Fund | - | - | - | 4,976 |
| John Moores Foundation | - | - | - | 9,156 |
| P H Holt | - | - | - | 2,000 |
| Proven Family Trust | - | - | - | 300 |
| Royal Mencap Society Don't Miss Out Project | - | - | - | 1,000 |
| Royal Mencap Society - Round the World Challenge | - | - | - | 575 |
| Sales within charitable activities | 5,193 | - | 5,193 | 21,077 |
| Skelton Bounty | - | - | - | 2,000 |
| Social Investment Business (Impact Management Programme) | - | 36,000 | 36,000 | - |
| Money Advice Trust | - | 30,000 | 30,000 | - |
| Santander Foundation | - | 4,000 | 4,000 | - |
| N Smith Charitable Settlement | - | 500 | 500 | - |
| Pilkington Charities | - | 2,000 | 2,000 | - |
| Tillotson Bradbury | - | 300 | 300 | - |
| Duchy of Lancaster | - | - | - | - |
| Benevolent Fund | - | 1,000 | 1,000 | - |
| | 5,193 | 182,953 | 188,146 | 185,763 |
| c. - Other trading activities | | | | |
| | £ | £ | £ | £ |
| Fundraising | 53,394 | - | 53,394 | 42,282 |
| d. Investments | | | | |
| | £ | £ | £ | £ |
| Income from listed investments | 2,001 | - | 2,001 | 2,129 |
| Bank Interest | 7 | - | 7 | 6 |
| Fundraising | 2,008 | - | 2,008 | 2,135 |

4. Expenditure on charitable activities

| | Direct Charitable | Support and Governance | Total 2018 | Total 2017 |
|---|------------------------------|---------------------------------------|-----------------------|-----------------------|
| | £ | £ | £ | £ |
| Providing activities to (i) prevent the social isolation and exclusion of people who have a learning disability (ii) facilitate the progression of members to make tangible progress towards their goals (iii) enable members to 'package' and share their lived experience for their benefit and the benefit of others | <u>164,273</u> | <u>62,930</u> | <u>227,203</u> | <u>209,370</u> |

(a) Analysed as follows:

| | 2018 | 2017 |
|---|-----------------------|-----------------------|
| Direct Charitable Expenditure | £ | £ |
| Staff Salary Costs | 108,354 | 84,218 |
| Project Costs | 33,153 | 35,633 |
| Premises Costs | 22,766 | 27,337 |
| Overhead Costs | - | - |
| Infrastructure | - | - |
| | <u>164,273</u> | <u>147,188</u> |
| Support and Governance Costs | £ | £ |
| Staff Salary Costs | 45,356 | 44,557 |
| Premises Costs | - | - |
| Overhead Costs | 10,488 | 10,233 |
| Infrastructure | 4,258 | 5,856 |
| AGM Costs | 293 | 268 |
| Accountancy | 800 | 800 |
| Depreciation | 1,735 | 468 |
| | <u>62,930</u> | <u>62,182</u> |
| Total Expenditure on charitable activities | <u>227,203</u> | <u>209,370</u> |

b. Staff Costs

| | 2018 | 2017 |
|--------------------------|-----------------------|-----------------------|
| | £ | £ |
| Gross wages and salaries | 161,326 | 139,870 |
| Social Security Costs | 11,355 | 9,380 |
| Pension Costs | 1,091 | - |
| | <u>173,772</u> | <u>149,250</u> |

c. Particulars of employees

The average number of people employed during the year was as follows:-

| | 2018 | 2017 |
|-----------------------|-----------------|-----------------|
| Raising funds | 1 | 1 |
| Charitable activities | 7 | 6 |
| | <u>8</u> | <u>7</u> |

No employee received more emoluments of more than £40,000 per year.

The Trustees are not remunerated for their services and are not included in the number of employees above.

No out of pocket expenses were reimbursed to trustees in the year (2017 - £nil)

5. Tangible Fixed Assets

| | Fixtures, Fittings & Equipment £ | Total £ |
|---------------------------------------|---|----------------------|
| Cost | | |
| Balance as at 1st April 2017 | 21,368 | 21,368 |
| Additions during the year | 3,950 | 3,950 |
| Balance as at 31st March 2018 | <u>25,318</u> | <u>25,318</u> |
| Accumulated Depreciation | | |
| Balance as at 1st April 2017 | 19,030 | 19,030 |
| Charge for the year | 1,735 | 1,735 |
| Balance as at 31st March 2018 | <u>20,765</u> | <u>20,765</u> |
| Net Book Value 31st March 2018 | <u>4,553</u> | <u>4,553</u> |
| Net Book Value 31st March 2017 | <u>2,338</u> | <u>2,338</u> |

6. Fixed Asset Investments

| | 2018 | 2017 |
|--|----------------------|----------------------|
| | £ | £ |
| Market Value at 1st April 2017 | 58,203 | 64,153 |
| Income | 2,001 | 2,129 |
| Valuation Changes | (3,444) | 4,050 |
| Withdrawals | (22,001) | (12,129) |
| Market Value at 31st March 2018 | <u>34,759</u> | <u>58,203</u> |

Throughout the accounting year all assets are held by the Investment Manager's custodian, St James's Place

7. Debtors

| | 2018 | 2017 |
|-------------|----------------------|---------------------|
| | £ | £ |
| Debtors | 1,085 | 300 |
| Prepayments | 14,300 | 7,888 |
| | <u>15,385</u> | <u>8,188</u> |

8. Creditors: Amounts falling due within one year

| | 2018 | 2017 |
|-----------------|----------------------|----------------------|
| | £ | £ |
| Creditors | 12,661 | 14,484 |
| Accruals | 1,723 | 800 |
| Deferred Income | - | 1,542 |
| | <u>14,384</u> | <u>16,826</u> |

| | 2018 | 2017 |
|------------------------------|-----------------|---------------------|
| Deferred Income comprises: | | |
| Balance at beginning of year | 1,542 | 7,156 |
| Released during the year | (1,542) | (5,614) |
| Balance at end of year | <u>0</u> | <u>1,542</u> |

9. Analysis of Net Assets between funds

| | Tangible Fixed Assets £ | Net Current Assets £ | Total £ |
|--|--|---|----------------------|
| Unrestricted Funds | | | |
| General Fund | 642 | (18,102) | (17,460) |
| Designated | - | 25,872 | 25,872 |
| Investments | 34,759 | - | 34,759 |
| | <u>35,401</u> | <u>7,770</u> | <u>43,171</u> |
| Restricted Funds | | | |
| Big Lottery Fund Grant - Help Through Crisis | - | 19,945 | 19,945 |
| Cabinet Office Grant - Local Sustainability Fund (Administered by Big Lottery Fund) | 1,402 | - | 1,402 |
| Social Investment Business -Impact Management | 2,509 | 5,284 | 7,793 |
| Santander Foundation | - | | |
| Pilkington Charities | - | 667 | 667 |
| Duchy of Lancaster Benevolent Fund | - | 1,000 | 1,000 |
| | <u>3,911</u> | <u>26,896</u> | <u>30,807</u> |
| | <u>39,312</u> | <u>34,666</u> | <u>73,978</u> |

10. Unrestricted Funds

| | Resources at beginning of year £ | Income £ | Expenditure £ | Investments £ | Transfers £ | Resources at the end of the year £ |
|-----------------|---|----------------------|--------------------------|--------------------------|------------------------|---|
| General Fund | (20,813) | 63,414 | (64,319) | - | 7,291 | (14,427) |
| Designated Fund | 13,051 | - | - | - | 9,788 | 22,839 |
| Investments | 58,203 | 2,001 | - | (3,444) | (22,001) | 34,759 |
| | <u>50,441</u> | <u>65,415</u> | <u>(64,319)</u> | <u>(3,444)</u> | <u>(4,922)</u> | <u>43,171</u> |

General Fund is used to finance the charity's general activities as outlined in the Trustee's report

Designated Fund is set aside to meet the rent liability of the charity's premises, currently 9 Lydia Ann St. The designated fund is reduced each month by £1,631, in line with the reduced liability.

Investments represent general funds which are held with St James's Place Wealth Management

Transfers relate to net additions to / withdrawal of capital from Investments and movements in the provision for future rent liabilities.

11. Restricted Funds

| | Resources at beginning of the year £ | Income £ | Expenditure £ | Transfer from Unrestricted £ | Resources at end of year £ |
|--|---|----------------|------------------|---------------------------------------|-------------------------------------|
| Big Lottery Fund Grant- Help Through Crisis | 18,641 | 96,669 | (95,365) | - | 19,945 |
| Cabinet Office Grant – Administered by Big Lottery Fund | 2,667 | - | (3,603) | 2,338 | 1,402 |
| Carillion RLBHUT Fund | 333 | - | (333) | - | - |
| European Social Fund - Community Learning Grant | 11,966 | 12,484 | (24,450) | - | - |
| John Moores Foundation | 4,156 | - | (4,156) | - | - |
| Proven Family Trust | 300 | - | (300) | - | - |
| Skelton Bounty | 667 | - | (667) | - | - |
| Social Investment Business (Impact Management Programme) | - | 36,000 | (28,207) | - | 7,793 |
| Money Advice Trust | - | 30,000 | (32,584) | 2,584 | - |
| Santander Foundation | - | 4,000 | (4,000) | - | - |
| N Smith Charitable Settlement | - | 500 | (500) | - | - |
| Pilkington Charities | - | 2,000 | (1,333) | - | 667 |
| Tillotson Bradbury | - | 300 | (300) | - | - |
| Duchy of Lancaster Benevolent Fund | - | 1,000 | - | - | 1,000 |
| | 38,730 | 182,953 | (195,798) | 4,922 | 30,807 |

In the year Mencap Liverpool received the following restricted funds:

Major Grants:

Big Lottery Fund Grant– Help through Crisis Programme–is a five year grant (2016-2021) to support our work with people in and at risk of, experiencing crisis. This funds our outreach work (working with people in crisis); our progression work (helping those at risk so they're better placed to deal with crisis in the future); and our packaging activities (helping our partner organisations to be better at responding to the needs of people with a learning disability who are in crisis).

Cabinet Office Grant – Administered by Big Lottery Fund – We received funding to undertake a range of work to help the charity become more sustainable. This funded our activities coordinator (as a backfill post), so that our progression Manager and CEO were free to engage in strategic development. It also funded the support received from specialist consultants (Eastside Primetimers). This specialist help was to upskill staff in financial management and income generation (through funding and potential contract opportunities). The remaining balance covers depreciation of IT equipment in future years.

European Social Fund Community Learning Grant (administered by the Workers Education Association) – Funded a project-co-ordinator and accreditation costs to run an accredited programme giving eligible beneficiaries, the skills (and qualification) to travel independently/ in the community, thereby increasing their opportunities for employment and training.

Social Investment Business (Impact Management Programme)

The Impact Management Programme aims to build the capacity of charities and social enterprises to manage their impact. In August 2017, we received 12 month's funding to analyse and respond to the data we collect (on VIEWS) - using it to change and improve our programmes and services. We were funded to work with an Approved Provider and chose to continue our relationship with Lisa Lucas (Eastside Primetimers), so as to make the best use of our funding and to build on the work we'd started through the Local Sustainability Fund. Ultimately this funding will help us increase our social impact and diversify our income.

Money Advice Trust

In April 2017, Mencap Liverpool were one of three recipients of an Innovation Grant from the Money Advice Trust. Informed by the lived-experience of our members- adults with mild-moderate learning disability, we were funded to co-design an 8-week workshop programme and set of 24 Easy Read fact sheets. The materials are aimed at people with mild learning disability, who are responsible for managing their own household budget (without support).

Other smaller grants included:

Carillion RLBHUT fund, to support the costs of our running and fitness clubs.

Duchy of Lancaster Benevolent Fund – to support our social activities (received March 2018)

The N Smith Charitable Settlement gave a small grant towards core activities

Pilkington Charities Fund, Tillotson Bradbury, The Proven Family Trust and Santander Foundation all gave small grants to support our befriending activities

Skelton Bounty – also provided funding to support the cost of our running and fitness clubs

12. Operating Lease Commitments

Financial commitments under non-cancellable operating leases relate to the property lease of 9 Lydia Ann Street. This is a five-year lease ending in May 2019, with a break clause at the end of the third year.

| | 2018 | 2017 |
|-----------------|----------------------|----------------------|
| | £ | £ |
| Within one year | 19,576 | 13,051 |
| 2-5 years | <u>3,263</u> | <u>-</u> |
| | <u>22,839</u> | <u>13,051</u> |

13. Related Party Transactions

There were no related party transactions during the year ended 31st March 2018 (2017: None)

14. Guarantees

As at 31st March 2018, 51 members had given the guarantee of £1 each in the event of the company winding up, total £51 (2017: 37 members, £37)

MENCAP LIVERPOOL
DETAILED STATEMENT OF FINANCIL ACTIVITIES
FOR THE YEAR ENDED 31ST MARCH 2018

| | 2018 | 2017 |
|--|-----------------|----------------|
| | £ | £ |
| INCOME | | |
| Grant Income | 186,053 | 169,914 |
| Sales within charitable activities | 5,193 | 21,077 |
| Donations and legacies | 1,720 | 3,969 |
| Fundraising events | 53,394 | 42,282 |
| Bank Interest | 7 | 6 |
| Investment Income | 2,001 | 2,129 |
| Total Income | 248,368 | 239,377 |
| EXPENDITURE | | |
| Raising Funds | | |
| Staff salary costs | 20,062 | 20,475 |
| Fundraising costs | 12,852 | 8,031 |
| | 32,914 | 28,506 |
| Charitable Activities | | |
| Staff Salary Cost | 153,710 | 128,775 |
| Project Costs | 33,153 | 35,633 |
| Premises Costs | 22,766 | 27,337 |
| Overhead Costs | 10,488 | 10,233 |
| Infrastructure | 4,258 | 5,856 |
| AGM Costs | 293 | 268 |
| Accountancy | 800 | 800 |
| Depreciation | 1,735 | 468 |
| Total Expenditure on charitable activities | 227,203 | 209,370 |
| Total Expenditure | 260,117 | 237,876 |
| (Loss)/gain on investments | (3,444) | 4,050 |
| Net (expenditure)/income for the year | (15,193) | 5,551 |

(This page does not form part of the statutory financial instruments)