

Bromley Mencap

Report and Accounts for the year ending 31st March 2019



Bromley Mencap

A Company Limited by Guarantee, Registered in England & Wales N° 2179385

Bromley Mencap is a Registered Charity, N° 800685

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Reference & Administrative Information

Trustees

P Prentice	Chairman
A Kean	Vice Chairman
M Moore	Hon. Treasurer

B Austyn-Jones
M Deves
G Gostt
P Nash
J Spencer
P Williams

Key Management Personnel

E Lynch MBE	Chief Executive
G Eldridge	Family Services Manager (Retired Dec 18)
M Mason	Assistant Chief Executive
C Stone	Head of Services (Children & Adults)
S Vinall	Employment Services Manager

Name & Registered Office of the charity

The full name of the charity is Bromley Mencap and its registered office is Rutland House, 44 Masons Hill, Bromley, Kent BR2 9JG

Auditors

Goatcher Chandler Audit Ltd, Chartered Accountants & Statutory Auditor
31 St.Georges Square, St.Georges Centre, Gravesend, Kent DA11 0TB

Bankers

Allied Irish Bank (GB), PO Box 73306, London, W5 9PB

Investment Managers

Investec Wealth & Investment Ltd, 30 Gresham Street, London, EC2V 7QN

Trustees' Annual Report

The Trustees, who are also directors of the charity for the purposes of the Companies Act, have pleasure in submitting their annual report and audited financial statements for the year ended 31st March 2019.

The charity is a charitable company limited by guarantee and was incorporated on 16 October 1987. It is governed by Articles of Association, which were last amended in October 2011.

Structure, Governance & Management

The charity is managed by a board of trustees elected by the membership, although the board also has the power to co-opt trustees during the year. Co-opted trustees are subject to approval by the membership at the next AGM. All new trustees undertake an induction period which includes training on good governance and legal responsibilities.

The board employs a chief executive to manage the organisation on a day-to-day basis. He is supported by a senior management team. There are clear reporting structures in place and every staff member has formal supervision with their manager. The chief executive reports directly to the board, who meet bi-monthly. Bromley Mencap has six sub-committees which have trustee and member representatives. The sub-committees meet regularly and report to the Council of Management.

The charity works to a five-year Strategic Plan which has annual work programmes. A report on the year's activities and work towards the organisation's objectives is presented each year to the Annual General Meeting.

Bromley Mencap operates a policy of equal pay and aims to ensure that salaries reflect the knowledge, skills, responsibilities and personal competencies required for the satisfactory performance of each job. We use objective measures to determine our job levels and associated salaries. These are also set in the context of the jobs market and comparisons are made with similar jobs in other charities and relevant organisations.

For our employees we operate a consistent remuneration policy across all levels of the organisation including our Chief Executive and Key Management Personnel. The remuneration policy of Bromley Mencap is set by the Finance & General Purposes Committee, a sub-committee of our Board of Trustees.

Objectives, Activities & Public Benefit

The charity's objectives as stated in the revised governing document are

- the relief of people with disabilities, their families, dependants and carers, by the provision of services, support and information, leading to independent living opportunities/improved life chances and by challenging discrimination through campaigning, lobbying and promoting user representation.

"Disability" is defined as 'A physical, sensory, learning or mental impairment which has a substantial and long-term adverse effect on a person's ability to carry out day-to-day activities'.

We seek to improve the lives of people with a disability, their parents and carers in whatever way we can. We achieve this by delivering a wide range of preventative, person-centred quality services including a telephone helpline, advocacy, information, advice and guidance, family support, an employment scheme, buddying for young disabled people, respite and short breaks, domiciliary care, social and leisure activities, a day opportunities programme, a specialised training centre, childminding, young carers support, peer support for older and mutual carers and independent living classes. As a member-led organisation all our services are consulted, evaluated, shaped and designed with disabled people and carers leading to improved health and well-being. We campaign and lobby at local level to ensure the voice and rights of disabled people and carers are represented.

We work closely and in partnership with other organisations who share our values, both in the Borough of Bromley and elsewhere. We work closely with the London Borough of Bromley and deliver services through consortia and partnerships. We are a founder member of Bromley Third Sector Enterprise CIC and our Chief Executive is one of its directors. We are affiliated to national Mencap but receive no funding from them.

Bromley Mencap is a user and member-led organisation with over 1,800 members. Members are represented on our sub-committees and Board of Trustees. All our activities, which are reported on below, focus on delivering our charitable aims and objectives and we refer to the Charity Commission's general guidance on public benefit when reviewing them and formulating our business plans. We are satisfied that Bromley Mencap is providing public benefit: regard for public benefit is included in the induction and training for all trustees, who look at the charity's activities in the round in order to decide what benefit to the public at large they can realistically provide.

We are supported by a strong team of 80 loyal and dedicated volunteers who help with fundraising, office administration and offer a range of support across a number of our services.

Fundraising

Bromley Mencap has considered the reporting requirements of the Charities (Protection and Social Investment) Act 2016 and fundraising is compliant with the recognised standards of fundraising (set out in the Code of Fundraising Practice) as well as those required under charity law and wider law.

The charity employs a part-time Community & Corporate Fundraiser who is line managed and supervised by the Chief Executive who has overall responsibility for fundraising. An independent consultant provides expertise and professional support directly to the Chief Executive in respect of grants and trust applications. We have a small number of fundraising volunteers who are supervised and supported by the Community & Corporate Fundraiser. Third party fundraisers are not used.

Bromley Mencap works to a fundraising strategy and persons acting on behalf of the charity do not subscribe to specific fundraising standards or a specific scheme for fundraising regulation. We closely monitor the fundraising activities of any person acting on behalf of the charity. No complaints have been received in respect of our fundraising activities, which are reported on regularly to the Fundraising Sub-committee.

The protection of vulnerable people is central to Bromley Mencap's aims and

objectives and the charity is therefore always vigilant to the need to exercise care in this respect when carrying out fundraising activities.

Achievements & Performance

Chairman's Report

In recent years Bromley Mencap has expanded significantly, developed new services and established a new community hub at The Lodge in Norman Park.

The last year has been a period of consolidation, strengthening, and improving these new and existing services and increasing our profile in Bromley through operations such as The Lodge. We were delighted to receive the Mayor of the London Borough of Bromley, our President, to formally open The Lodge, to see the services it now delivers and meet the beneficiaries. We have since enjoyed both a summer garden party for volunteers and a Christmas Fair at this venue.

Trustees and staff had an Away Day during the year to discuss our plans for the future. The well attended event provided an opportunity for everyone to get to know both long serving members of staff and trustees and new arrivals.

I was delighted to announce at the Annual General Meeting last year that Ann Kean, our Vice Chairman was appointed as Vice President of Bromley Mencap. Ann has been a supporter and trustee of Bromley Mencap for many years and this was a fitting acknowledgement of her service and contribution.

I would like to thank all our trustees, staff, volunteers, members and partners for all that they do and for making Bromley Mencap the success it is.

Chief Executive's Report

This year key achievements for the organisation include:

- Consulting with members and launching a new 5-year Strategic Plan
- Expansion of our self-funded services
- Restructuring our services for families into two separate departments for children and adults led by a new Head of Services
- Expanding our range of Pathways to Employment programmes with schools and colleges
- Being awarded the new Short Breaks contract for disabled children and young people
- Launching our new Children in Need funded Wellbeing Service, a new cycling project funded by Cycling Grants London and securing a grant from the City Bridge Trust to support our social enterprise training and employment scheme

Consultation and co-production underpinned the development of our new 5-year Strategic Plan which we launched at our Annual General Meeting. We consulted through focus groups, workshops and a questionnaire which had over 100 responses. This consultation was funded through the Lottery's Building Communities

grant which we have been using this year to build skills and knowledge of our staff and deliver better outcomes for our beneficiaries. The new Plan focuses on consolidating our achievements over the last few years and ensuring the organisation becomes sustainable for the future. Longer term priorities include reviewing the organisation's brand and marketing, investing in an improved IT and technology structure and improving our communications.

Organisational premises is one of our key priorities within the Plan and we have continued to seek alternative suitable premises this year. We were unfortunate to lose out on a local property which we bid on at auction but are confident that we will identify suitable premises within the coming year.

Over the past year we have reviewed our range of quality standards in line with how we measure and continue to improve the quality of our services. We applied for accreditation for the AQS (Advice Quality Standard) and went through a process of assessment and evaluation. We were delighted to have been recognised by the award of this important standard. The assessment found Bromley Mencap to be *'an organisation committed to quality service delivery and high standards. Quality is clearly at the heart of the organisation, as is their commitment to staff to ensure they are supported within their roles, ultimately meeting the aims and objectives of the organisation - assisting clients.'* We also had our DWP Disability Confident standard extended for another two years. In February our domiciliary care agency was inspected by the Care Quality Commission. We were delighted to retain our 'Good' rating across all 5 areas inspected. The inspection found us to be delivering a safe, effective, caring, responsive and well-led service.

Volunteers remain a key focus for Bromley Mencap both within our services and across all areas of the organisation. We have been fortunate in having several groups of volunteers from local businesses along with our own volunteers who have helped us with such tasks as redecoration, gardening and general maintenance jobs which all contribute to delivering our services and reducing our costs.

Campaigning remains high on our priorities and we have commented on several consultations around health and social care. These have included Learning Disability and Autism Training for Health and Care Staff, the Joint Strategy for Ageing Well in Bromley and the West Wickham Swimming Pool and Library Proposal. Through the Bromley Third Sector Enterprise we have been closely involved in co-production of a new Bromley Learning Disability Strategy which will be finalised later in the year.

We have worked closely in partnership with the Bromley Safeguarding Adults Board (BSAB) and are now represented on the Board, the Executive Committee and the Communications and Service User Engagement Group. This ensures that we are representing the views of our members and service users around safeguarding at every level. We continue to represent the views of our members on a wide range of groups and forums, at both strategic and operational level, including the Voluntary Sector Strategic Network, the Astley Carers Consultation Group, the Oxleas Council of Governors, the SEN Reforms Governance Board, the Learning Disability Annual Health Check Task and Finish Group, the Bromley Children and Families Forum, the Autism Partnership Group and the Learning Disability Mortality Review Steering Group.

Strategically we have continued to work in partnership with a wide range of organisations. We are a core member of the Bromley Third Sector Enterprise and

the lead organisation for delivering five Bromley Well services. During the year we have overseen an independent piece of research which reviewed the Bromley Well Single Point of Access and made a number of recommendations for improving accessibility for people with learning disabilities. We have worked closely with a number of organisations to deliver our services including Certitude, CASPA, Bromley Y, Bromley Experts by Experience, Nash College, Bromley College, Parkwood Hall School and Advocacy for All.

Through our outreach programmes 151 new families took out membership of the organisation and we now have 1,888 members.

I am pleased to report on another successful year of providing services which included:

- Our Day Opportunities community based programme for disabled adults delivered outcomes around independence, life skills and working towards employment. The scheme ran for 4 days a week in term time. Day Opportunities Extra was delivered 5 days a week during college holidays and supported the transition of young people to adulthood. Up to 12 people attended each day and one-to-one support was arranged for those needing personal care or extra assistance. In March we opened a second site in central Bromley to meet the growing demand for support
- Our specialist Personal Assistant Agency provided person centred support to a small group of disabled adults either in their home or within the local community.
- 15 students attended courses in Horticulture, Catering and Bicycle Maintenance at our community hub. The first group of catering students achieved their Level 1 Food Hygiene qualifications. The kiosk, which is used as a base for our catering course, was given a '5 star' rating when inspected by the Environmental Health Team
- Our community hub provided term-time catering and horticulture courses for sixth form students from Parkwood Hall School
- Our community hub provided cycling courses for disabled adults and family cycling sessions, as part of new funding from Cycle London Grants

Our range of services grew throughout the year in line with the targets in our annual work programme. The greatest demand for support continued to be for information and guidance on welfare benefits but we also saw referrals to our Family Support Service for Children and Young People with Social and Communication Difficulties increase significantly. This year we helped disabled people and carers to secure new annual income in welfare benefits of over £500,000 and successfully applied for funding for specialist equipment, holidays and other support. Enquiries around transition to adult services including deputyship, day services and financial assessments all continued to increase this year.

Key successes and achievements within our children and adult services over the last year include:

- Support to 1,170 families through our telephone helpline and at professional meetings with schools, the local authority and health professionals
- Our pre and post diagnosis support service for families of children and young people with social and communication difficulties has delivered monthly drop-

ins for parents as well as 7 workshops on a range of topics including communication, Child and Adolescent Mental Health Services (CAMHS), Education, Health and Care Plans, anxiety and an introduction to autism. This service took 300 referrals/enquiries over this 12-month period

- Launching our new Children in Need funded Wellbeing Service, supporting disabled children, their siblings and families with workshops around 'hopes and ambitions, 'being a sibling' and 'communication strategies'
- Delivery of monthly workshops for disabled people around independent living
- 14 families attended our fortnightly Saturday Respite Project which provided accessible programmes and were supported by staff trained in complex medical procedures
- 15 families used our Short Breaks buddying project through self-funding or as part of their Council funded short breaks package
- A programme of recruitment for new buddies was delivered through schools and local youth groups
- 27 children received care from 15 childminders on our Short Breaks Childminding Network
- 4 children received care in their home or in the community from our Children & Young People Supporters
- 11 families used our Short Breaks Children's Sitting Service enabling parents/carers to have quality respite and leisure time
- 3 families accessed our home based sitting service
- 218 children and young people attended our activity days, coach trips, parties, focus groups and karaoke evenings
- 112 disabled adults attended Monday Afternooners, Keep Fit, the Outdoor Activities Club and Dances
- 12 informative workshops and lunches were provided for mutual carers as well as a monthly cookery class

Our Employment and Education department has delivered 5 different contracts over this period. Through these contracts, this year we supported 80 disabled people in to paid jobs in the community and created a total of 209 volunteering and work experience opportunities. Key highlights over the year include:

- Our National Lottery Community Fund grant, which provides support to disabled people to sustain their jobs, has continued to build positive relationships with local employers. The service provided support with interviews, company inductions, travel training, job fairs and job clubs. We also support beneficiaries in employment with issues such as managing the work environment, timekeeping and attendance and returning to work after a gap in employment. This year the service supported 15 disabled people into new jobs and 8 people into volunteering
- Job clubs were held weekly at our community hub and candidates continue to enjoy a variety of subjects including team building exercises, IT training, mock interview practice and one-to-one job search. Over the past year we have had 18 individual disabled people attending our Job Clubs each week with 80% of them achieving paid employment
- Our Step Forward project, based at Astley Day Centre, delivered three weekly pre-employability sessions. The 2-hour workshops are for up to 10 candidates with complex needs and work towards a range of person-centred outcomes.

This year 16 people achieved paid employment and 44 people were supported into volunteering or training

- Our LLDD NEET 16-24 year olds (learners with learning difficulties and disabilities, not in education, employment or training) which ran through London and South East Colleges came to an end on 31st March this year. The aim of the programme was to support young people into positive destinations, such as employment, training, apprenticeships, or education. Our job coach has supported a total of 26 learners into employment, education, or training
- Our 'Pathways to Employment' programme expanded this year and we worked with more local schools and colleges in supporting disabled students with work experience opportunities. The aim of the programme is to provide students with a clearer understanding of the local labour market through work taster sessions to develop their communication skills and foster independence. This year our Pathways to Employment programme supported 60 students with work experience opportunities in the local community

The Bromley Well service has continued to provide preventative support to disabled and vulnerable people. This year:

1. 301 adults with learning difficulties/disabilities received individual support. We delivered a range of monthly workshops and drop-ins to enhance independence and resilience. 132 people attended our monthly workshops
2. 345 adults with physical difficulties/disabilities were supported on a one-to-one basis and also through workshops and drop-ins to enhance their independence and manage their medical impairments. 144 people attended monthly workshops on healthy lifestyles and self-management
3. 58 mutual carers received individual support with health related meetings, solicitors, banks and social care and with their general correspondence
4. 274 young carers attended leisure activities as a break from their caring duties and 155 have attended workshops around coping strategies, life skills and emotions. 43 one-to-one counselling/emotional support sessions have been delivered to young carers
5. Our Employment and Education advisors support people with learning disabilities, physical disabilities, long term health conditions and mental health issues. This year we supported 49 people into paid employment, 97 people into volunteering and work experience and 13 people into adult education

We are very grateful to our funders and in particular to new funds and grants we received this year including BBC Children in Need, City Bridge Trust, Groundwork UK, Leeds Building Society, the ACT Foundation and Cycling Grants London.

This year we ran an extensive programme of successful community fundraising activities including collections, quiz nights and carol singing. Local groups and individuals supported us through activities including the Volunteer Youth Programme Walk organised by Orpington Methodist Church and Team Alesco which ran in the Virgin London Marathon.

We were delighted to be chosen as the Local Charity Partner with Sainsbury's, Bromley and we were supported by local initiatives including Tesco's Carriers for Causes and the Co-op Local Community Fund. We are also grateful to have received donations from local businesses Identity E2E Ltd and TK Maxx, Bromley as well as a number of local rotary clubs.

Future Strategy

The strategy for the organisation is to continue to build on our strengths to provide more and better services to disabled people and their families and carers. Coupled with this we intend to develop the organisation in ways that will benefit the people with whom we work.

Our future strategy is outlined in more detail in our new Strategic Plan 2019 to 2024. Over the next twelve months we will be focusing on sustaining our wide range of services and ensure they are meeting the needs of local disabled people and their families. We will be further promoting our self-funded services and a key priority will be securing new suitable premises both to accommodate staff and as a base to deliver some of our activities.

Financial Review

Financial Position and Performance

Bromley Mencap delivered another sound and balanced financial performance in the year. Additional activity arising from a full year's operation of the new training centre and community hub in Norman Park and the new Bromley Well contracts with Bromley Third Sector Enterprise (BTSE) increased income and expenditure totals by around 9%. The overall net income, before taking account of the unrealised gain in value of the investment portfolio and the movement on the pension provision, was £16,618 (2017-18 £12,489).

Unrestricted funds showed a surplus of £19,031 (before the gain on the investment portfolio, movement on pension provision and transfers to restricted funds). Income from community fundraising, legacies and other donations held up well. This income is offset by a deficit in the community hub operations, which was expected as part of the business plan.

Restricted funds showed a deficit of £2,413 before transfers. Deficits are always expected in the case of some projects which are using up income received in previous years.

Our work to improve our financial sustainability and diversify our income sources has continued this year. Income from direct payments and self-funders has again increased, while contracts with BTSE have largely replaced funding from the London Borough of Bromley, to the extent that BTSE is now Bromley Mencap's largest funder. This is as a result of the Borough's decision to change the way it commissions some of its services from the voluntary sector. The new contract began in October 2017 and is for an increased amount of service delivery. We expected that BTSE would account for around 30% of our income this year, and the actual

figure is just under 31%, which is a significant improvement on the 62% dependency on the London Borough of Bromley just 5 years ago.

The National Lottery Community Fund is also a significant funder and it is testament to the strengths of the charity that we have continued to be successful in gaining grants from the Fund.

Work has continued this year to develop our new training centre at Norman Park where activities commenced in September 2017. This social enterprise is another way in which Bromley Mencap is seeking to increase its financial stability, although in the early years of operation we expect to incur losses to be funded by our reserves. Amounts have been designated for this purpose.

By the end of the next financial year, in March 2020, we will have concluded the withdrawal from The Pensions Trust defined benefit scheme. If we are successful in securing new premises that too will change the shape of our accounts. However what will not change is our position as an organisation with financial strength based on our proven ability to deliver for our beneficiaries.

Reserves Policy

Unrestricted funds are needed:

- (a) to provide short term working capital should a major planned funding stream unexpectedly cease,
- (b) to cover governance, fund-raising and support costs without which the charity could not function and
- (c) to provide protection for the staff in the event of the organisation being wound up.

The trustees consider it prudent that unrestricted reserves should be sufficient:

- (i) to cover six months income from our main provider of restricted funds (where restricted reserves are insufficient to cover this themselves),
- (ii) to cover one year's governance, fundraising and support costs and
- (iii) to cover potential redundancy costs,

The level of reserves is monitored and reviewed by the trustees three times a year, whilst the reserves policy is reviewed annually.

At the end of the financial year total funds were £1,111,363 comprising restricted funds of £479,783 and unrestricted funds of £631,580. After deducting designated funds, income funds representing fixed assets and the pension reserve, the amount of free reserves was £504,124. The level of reserves required by the policy is £440,166 and thus the charity's reserves at the year end were above the level required by the reserves policy by £63,958 (2018: £122,399 deficit). The amount of reserves required by the policy has decreased over the last year by £22,675

Free reserves have risen by £163,682 compared to 2017-18 and therefore the trustees are pleased to note that the shortfall against the policy level has been eliminated.

Risk Management

The charity maintains a risk register which details the main risks to which the charity is exposed and actions to mitigate those risks. These actions are incorporated into the annual Work Programme which is reported on to the trustees. The risk register is reviewed annually by the Finance and General Purposes committee.

At the last review there were no risks which were assessed as high. Medium level risks were relationships with funders and reputational risk. Risks are managed by ensuring adequate policies and procedures are in place, backed up by staff training and an appropriate level of senior staff and trustee involvement.

Investment Policy

Funds which are surplus to short-term working capital requirements are placed either in deposit accounts and fixed term bonds or in the charity's investment portfolio managed by Investec Wealth & Investment Limited.

The value of the portfolio at the year end was £576,213, representing 49% of the total invested funds at that date. The portfolio manager works within an agreed investment policy which is reviewed annually by the trustees. The overall investment objective is to provide a balanced return between income and capital. The detailed policy includes specifications of the portfolio mix and benchmarks for performance measurement. The policy does not specify any social, environmental or ethical considerations to be taken into account but reserves the right for the Trustees to exclude investment in companies that carry on activities contrary to Bromley Mencap's aims or which would damage the charity's reputation.

Other cash investments of £606,448 at the year end are held with a number of different institutions to reduce risk.

Pension Liability

As disclosed more fully in the notes to the accounts, Bromley Mencap has a provision in relation to past service in a defined benefit pension scheme. The level of the provision fluctuates from year to year and can significantly affect the increase or decrease in total funds for the year. These fluctuations are outside of the charity's control. To limit future liability the trustees decided to withdraw Bromley Mencap from The Pensions Trust scheme and crystallise the debt and this will be effective as of 30 June 2019. The provision at 31 March 2019 has decreased by a total of £59,300 on the previous year's provision (2017-18: decrease of £3,700). The decrease reflects the decisions of 2 former members of staff to transfer their benefits out of the scheme, and the notification to the charity of its actual assessed liability at 30 June 2019 which was notified to the charity in September 2019. The provision at 31 March 2019 is sufficient to cover the charity's final assessed liability.

Statement of Trustees' Responsibilities

The Trustees (who are also directors of Bromley Mencap Limited for the purposes of company law) are responsible for preparing the Trustees' Report and the financial

statements in accordance with applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102: The Financial Reporting Standard applicable in the UK and Republic of Ireland (United Kingdom Generally Accepted Accounting Practice).

Company law requires the trustees to prepare accounts for each financial year which give a true and fair view of the state of affairs of the charitable company and of the results of the charitable company for that period. In preparing those accounts, 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;
- follow applicable accounting standards, subject to any material departures disclosed and explained in the accounts;
- prepare the accounts on a going concern basis unless it is inappropriate to presume that the company will continue in business.

The trustees are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the charitable company to enable them to ensure that the accounts 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.

In so far as the trustees are aware:

- There is no relevant audit information of which the charitable company's auditors are unaware;
- The trustees have taken all steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditors are aware of that information;
- They have had due regard to guidance by the Charity Commission in respect of Public Benefit.

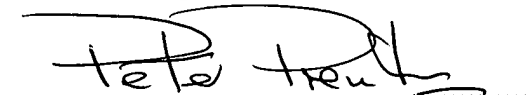
The trustees are responsible for the maintenance and integrity of the corporate and financial information included on the charitable company's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

Auditors

The auditors, Goatcher Chandler Audit Ltd, will not be seeking re-appointment under section 487(2) of the Companies Act 2006. This report has been prepared in accordance with the special provisions of part 15 of the Companies Act 2006.

Approval

This report was approved by the Board of Directors and Trustees on 16th September 2019 and signed on its behalf.



P Prentice (Chairman)

Auditor's Report

INDEPENDENT AUDITOR'S REPORT TO THE TRUSTEES OF BROMLEY MENCAP LIMITED

We have audited the financial statements of Bromley Mencap Limited for the year ended 31 March 2019 which comprise the statement of financial activities, balance sheet, statement of cash flows and the related notes. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102: The Financial Reporting Standard applicable in the UK and Republic of Ireland (United Kingdom Generally Accepted Accounting Practice).

This report is made solely to the charity's trustees, as a body, in accordance with section 144 of the Charities Act 2011 and the regulations made under section 154 of that Act. Our audit work has been undertaken so that we might state to the charity's trustees those matters we are required to state in 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 charity's trustees 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 Trustees' Responsibilities Statement, the trustees (who are also the directors of the charitable company for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view.

The trustees have elected for the financial statements to be audited in accordance with the Charities Act 2011 rather than the Companies Act 2006. Accordingly, we have been appointed as auditor under section 144 of the Charities Act 2011 and report in accordance with regulations made under section 154 of that Act.

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

OPINION ON FINANCIAL STATEMENTS

In our opinion the financial statements:

- give a true and fair view of the state of the charitable company's affairs as at 31 March 2019 and of its 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.

MATTERS ON WHICH WE ARE REQUIRED TO REPORT BY EXCEPTION

We have nothing to report of the following matters where the Charities Act 2011 requires us to report to you if, in our opinion:

- the information given in the Trustees' Annual Report is inconsistent in any material respect with the financial statements;
- the charitable company has not kept adequate accounting records;
- the financial statements are not in agreement with the accounting records and returns;
- we have not received all the information and explanations we require for our audit; or
- the directors were not entitled to prepare the financial statements in accordance with the small companies regime and take advantage of the small companies' exemption in preparing the directors report and take advantage of the small companies exemption from the requirement to prepare a strategic report.



Paul Harris
Senior Statutory Auditor

Date: 24/10/2019

Goatcher Chandler Audit Ltd
Chartered Accountants & Statutory Auditor
31 St Georges Square, St Georges Centre
Gravesend
Kent
DA11 OTB

Goatcher Chandler Audit Ltd is eligible to act as an auditor in terms of section 1212 of the Companies Act 2006.

Financial Statements for the Year Ended 31st March 2019

Statement of Financial Activities for the Year Ended 31 March 2019

	Note	Unrestricted Funds £	Restricted Funds £	Total 2019 £	Total 2018 £
Income					
Income from charitable activities	2	296,881	840,022	1,136,903	950,634
Donations & legacies	3	73,112	12,714	85,826	168,853
Income from other trading activities	4	12,475	-	12,475	11,410
Investment income	5	5,499	-	5,499	5,140
Total income		387,967	852,736	1,240,703	1,136,037
Expenditure					
Expenditure on charitable activities		335,976	855,149	1,191,125	1,060,162
Expenditure on raising funds		29,398	-	29,398	30,445
Other expenditure		3,562	-	3,562	32,941
Total Expenditure	6-14	368,936	855,149	1,224,085	1,123,548
Net gains/(losses) on investments	20	32,474	-	32,474	1,797
Net income/(expenditure)		51,505	(2,413)	49,092	14,286
Transfers between funds		(6,827)	6,827	-	-
Provision for pension scheme deficit	15	45,591	-	45,591	3,700
Net movement in funds		90,269	4,414	94,683	17,986
Reconciliation of funds					
Total funds brought forward at 1 April 2018		541,311	475,369	1,016,680	998,694
Total funds carried forward at 31 March 2019	24	631,580	479,783	1,111,363	1,016,680

All of the above results are derived from continuing activities.

The company had no recognised gains or losses for 2018 or 2019 other than those included in the above statement.

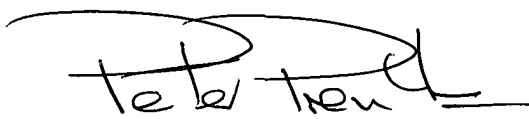
The notes on pages 19 to 32 form part of these Financial Statements.

Balance Sheet at 31st March 2019

	Note	31 March 2019		31 March 2018	
		£	£	£	£
Fixed assets					
Tangible assets	16	16,890		21,722	
Investments	17	2		2	
			16,892		21,724
Current assets					
Stock	18	63		168	
Debtors	19	115,481		180,619	
Cash at bank and in hand		200,816		50,316	
Short term deposits		320,618		405,244	
Investments	20	661,227		628,739	
		1,298,205		1,265,086	
Liabilities					
Creditors falling due within one year	21	(163,734)		(170,830)	
Net current assets			1,134,471		1,094,256
Total assets less current liabilities			1,151,363		1,115,980
Creditors					
Amounts falling due after one year			-		-
Defined benefit pension scheme	15	(40,000)		(99,300)	
Net assets			1,111,363		1,016,680
The Funds of the Charity:	23-24				
Restricted income funds			479,783		475,369
Unrestricted income funds			591,580		442,011
Pension Reserve			40,000		99,300
Total Funds			1,111,363		1,016,680

The financial statements on pages 16 to 32 were approved by the Board of Directors & Trustees on 16th September 2019.

P Prentice (Chairman)



M Moore (Director)



Statement of Cash Flows for the Year Ended 31st March 2019

	Total Funds £	Prior Year Funds £	Note
Cash flows from operating activities:			
Net cash provided by operating activities	69,434	(88,894)	(Table (A) below)
Cash flows from investing activities:			
Purchase of property, plant and equipment	(3,560)	(24,278)	
Purchase of investments	0	0	
Net cash used in investing activities:	(3,560)	(24,278)	
Increase/(decrease) in cash and cash equivalents in year	65,874	(113,172)	
Cash and cash equivalents at the beginning of the year	455,560	568,732	Table (B) below
Cash and cash equivalents at the end of the year	521,434	455,560	Table (B) below

A: Reconciliation of net movement in funds to net cash flow from operating activities	Current Year £	Prior Year £
Net movement in funds for the year (as per the Statement of Financial Activities)	94,683	17,986
Adjustments for:		
Depreciation charges	8,392	7,534
Unrealised (gain)/loss on investments	(32,488)	(1,797)
Increase/(decrease) in pension provision	(59,300)	(3,700)
(Increase)/decrease in stocks	105	(168)
(Increase)/decrease in debtors	65,138	(55,217)
Increase/(decrease) in creditors	(7,096)	(53,532)
Net cash provided by/(used in) operating activities	69,434	(88,894)

B: Analysis of cash and cash equivalents	Current Year £	Prior Year £
Cash in hand	200,816	50,316
Notice deposits (less than 90 days)	320,618	405,244
Total cash and cash equivalents	521,434	455,560

1. Accounting Policies

The principal accounting policies are summarised below. The accounting policies have been applied consistently throughout the year and in the preceding year.

Basis of accounting

The financial statements have been prepared in accordance with Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2015) – (Charities SORP (FRS 102)), the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) and the Companies Act 2006. Assets and liabilities are initially recognised at historical cost or transaction value unless otherwise stated in the relevant accounting policy note(s).

Fund Accounting

Unrestricted funds are available for use at the discretion of the trustees in furtherance of the general objectives of the charity and to provide short term financial stability.

Designated funds are unrestricted funds earmarked by the trustees for particular purposes.

Restricted funds are subject to restrictions on their expenditure imposed by the donor or through the terms of an appeal.

Income recognition policies

Items of income are recognised and included in the accounts when all of the following criteria are met:

- The charity has entitlement to the funds;
- any performance conditions attached to the item(s) of income have been met or are fully within the control of the charity;
- there is sufficient certainty that receipt of the income is considered probable; and
- the amount can be measured reliably.

For legacies, entitlement is taken as the earlier of:

- the date on which the charity is aware that probate has been granted;
- the estate has been finalised and notification has been made by the executor(s) to Bromley Mencap that a distribution will be made; or
- when a distribution is received from the estate.

Receipt of a legacy, in whole or in part, is only considered probable when the amount can be measured reliably and the charity has been notified of the executor's intention to make a distribution. Where legacies have been notified to the charity or the charity is aware of the granting of probate, and the criteria for income recognition have not been met, then the legacy is treated as a contingent asset and disclosed if material.

Income received in advance of the provision of a service is deferred until the criteria for income recognition are met.

Donated services and facilities

Donated services or facilities are recognised as income when the charity has control over the item, any conditions associated with the donated item have been met, the receipt of economic benefit from the use by the charity of the item is probable and that economic benefit can be measured reliably. On receipt, donated services and facilities are recognised on the basis of the value of the gift to the charity which is the amount the charity would have been willing to pay to obtain services or facilities of equivalent economic benefit on the open market; a corresponding amount is then recognised in expenditure in the period of receipt.

Interest receivable

Interest on funds held on deposit is included when receivable and the amount can be measured reliably by the charity; this is normally upon notification of the interest paid or payable by the Bank.

Resources expended

Expenditure is recognised once there is a legal or constructive obligation to make a payment to a third party, it is probable that settlement will be required and the amount of the obligation can be measured reliably. Expenditure is classified under the following activity headings:

- Charitable expenditure comprises those costs incurred by the charity in the delivery of its activities and services for its beneficiaries. It includes both costs that can be allocated directly to such activities and those costs of an indirect nature necessary to support them.
- Expenditure on raising funds includes the cost of running fundraising events and generating voluntary income.
- Other expenditure represents those items not falling into any other heading.

Allocation of Support Costs

Support costs are those functions that assist the work of the charity but do not directly undertake charitable activities. Support costs include back office costs, finance, personnel, payroll and governance costs which support Bromley Mencap's activities. These costs have been allocated between cost of raising funds and expenditure on charitable activities. The bases on which support costs have been allocated are set out in note 9.

Tangible Fixed Assets

Individual fixed assets costing £500 or more are capitalised at cost and are depreciated over their estimated useful economic lives on a straight line basis as follows:

Computers	3 years
Other equipment	5 years
Fixtures & fittings	5 years

Stock

Stock is included at the lower of cost or net realisable value.

Debtors

Trade and other debtors are recognised at the settlement amount due. Prepayments are valued at the amount prepaid.

Creditors and provisions

Creditors and provisions are recognised where the charity has a present obligation resulting from a past event that will probably result in the transfer of funds to a third party and the amount due to settle the obligation can be measured or estimated reliably. Creditors and provisions are normally recognised at their settlement amount.

Investments

Investments are held in a managed portfolio and included in the financial statements at their market value at the balance sheet date. Any unrealised gain or loss is taken to the Statement of Financial Activities. Unrealised gains and losses are calculated as the difference between the market value at the year end and the opening market value and are disclosed separately.

Pension Costs

The company operates a money purchase scheme which all employees are eligible to join. Pension costs shown in the financial statements represent the employer contribution to the scheme or to employees' personal pension schemes.

As explained further in note 15, the company also has a potential liability relating to past service when the pension scheme was a defined benefit scheme.

Taxation

As a charity, Bromley Mencap Limited is exempt on income and gains falling within section 466 – 493 of the Corporation Tax Act 2010 to the extent that these are applied to its charitable purposes. No tax charges arose on the ordinary activities for the year ended 31st March 2019.

2. Income from Charitable Activities

	2019		2018
	£	£	£
<u>Restricted funds</u>			
Employment Services			
Bromley Third Sector Enterprise	103,169		57,740
Certitude	72,720		72,720
National Lottery Community Fund	54,550		53,348
Baily Thomas Charitable Fund	-		6,667
	<u>230,439</u>		<u>190,475</u>
Children, Adult & Family Services			
London Borough of Bromley	98,020		126,785
Bromley Third Sector Enterprise	280,406		125,996
National Children's Bureau	25,251		73,753
Certitude	41,414		41,414
National Lottery Community Fund	89,964		39,692
NHS Bromley CCG	15,000		12,650
Bromley Adult Education & Learning Fund	9,044		7,888
St James's Place Charitable Foundation	2,427		7,573
The Field Family Trust	-		2,333
BBC Children in Need	11,978		-
Other Income from Charitable Activities	-		7,227
Donated Services & Facilities	2,860		-
	<u>576,364</u>		<u>445,311</u>
The Lodge			
The Wolfson Foundation	-		27,000
Clothworkers Foundation	-		15,000
The People's Postcode Trust	-		10,417
Lloyds Bank Foundation for England & Wales	-		5,324
Boshier Hinton Foundation	-		5,000
London Catalyst	-		5,000
Baily Thomas Charitable Fund	-		3,333
The D'Oyly Carte Charitable Trust	-		3,000
The Hedley Foundation	-		2,276
The Bernard Sunley Charitable Foundation	-		2,000
The Percy Bilton Charity	-		1,445
City Bridge Trust	22,850		-
Groundwork UK	5,250		-
Other Income from Charitable Activities	4,619		431
Donated Services & Facilities	500		750
	<u>33,219</u>		<u>80,976</u>
<u>Unrestricted Funds</u>			
Direct Payments & Self Funders	232,965		188,354
London & South East Colleges	28,987		24,289
Department for Work and Pensions	17,549		8,502
Leisure Activity Income	4,505		4,310
Small contracts	12,875		4,876
Miscellaneous Income	-		3,141
Donated Services & Facilities	-		400
	<u>296,881</u>		<u>233,872</u>
	<u>1,136,903</u>		<u>950,634</u>

3. Donations and Legacies

	Unrestricted Funds	Restricted Funds	Total 2019	Total 2018
	£	£	£	£
Legacies	15,000	-	15,000	55,000
J Jeffryes	10,000	-	10,000	-
London Borough of Bromley (core funding)	-	-	-	25,664
Chislehurst Golf Club	-	-	-	12,461
City Bridge Trust / Trust for London	-	-	-	9,400
Sainsbury's	5,292	-	5,292	-
Orpington Methodist Church	4,430	-	4,430	-
Coen Charitable Trust	-	-	-	5,000
Addington Palace Golf Club	3,360	-	3,360	-
Identity E2E	3,000	-	3,000	-
Groundwork UK	-	-	-	4,750
Co-op Donation	2,899	-	2,899	3,729
Local Sustainability Fund	-	-	-	500
Community Fundraising Donations	17,955	-	17,955	30,641
Other Donations	11,176	12,714	23,890	21,708
	73,112	12,714	85,826	168,853

The aggregate value of unconditional donations from Trustees was £1,279 (2018: £97)

4. Income from Other Trading Activities

	Unrestricted Funds	Restricted Funds	Total 2019	Total 2018
	£	£	£	£
Community Fundraising activities	4,992	-	4,992	8,848
Sale of Donated Goods	-	-	-	218
Sales from Lodge Kiosk	5,183	-	5,183	-
Donated Services & Facilities	2,300	-	2,300	2,344
	12,475	-	12,475	11,410

5. Investment Income

	Unrestricted Funds	Restricted Funds	Total 2019	Total 2018
	£	£	£	£
Bank Interest Receivable - UK	5,499	-	5,499	5,140
	5,499	-	5,499	5,140

6. Expenditure - Total

	Direct Staff Costs	Other Direct Costs	Support Costs	Total 2019	Total 2018
	£	£	£	£	£
Charitable Activities					
Employment Services	192,258	27,015	56,263	275,536	229,215
Children, Adult & Family Services	489,334	160,968	113,477	763,779	648,029
Bromley Scope	9,726	1,036	2,679	13,441	17,623
The Lodge	80,061	34,352	17,034	131,447	162,031
Other Charitable Activities	1,471	5,451	-	6,922	3,264
	772,850	228,822	189,453	1,191,125	1,060,162
Cost of Fundraising	28,212	(10,931)	12,117	29,398	30,445
Other Expenditure	152,745	52,387	(201,570)	3,562	32,941
	953,807	270,278	-	1,224,085	
2018	810,535	313,013	-		1,123,548

7. Expenditure - Other Direct Costs

	2019 £	2018 £
Cost of Charitable Activities		
Tenant's Improvements to The Lodge	11,656	68,295
Activity costs: Leaders, Hall Hire, Resources	43,366	34,712
Childminder Costs	11,549	17,098
Computer Costs	40,932	16,787
Telephone, Postage, Printing & Stationery	10,896	9,083
Staff Training	13,256	8,251
Subcontracted Workshops	14,164	8,140
Non Capital Furniture & Equipment	916	7,686
Travel Costs	8,494	6,533
Depreciation	6,748	6,177
Recruitment & Other Staff Costs	14,571	4,578
Professional Fees & Subscriptions	4,720	2,563
Other Costs	17,252	9,163
Gifts and Services in Kind	3,360	1,150
Fundraising Charge	26,942	27,824
	228,822	228,040
Cost of Fundraising		
Fundraising & Publicity	16,011	16,594
Fundraising Charge	(26,942)	(27,824)
	(10,931)	(11,230)
	217,891	216,810

8. Expenditure - Support Costs

	2019		2018
	£		£
Management Costs			
Staff Costs	84,174		86,345
HR Services	5,458		3,893
Other Costs	3,706		2,798
SLA & Other income	-		(8,150)
		93,338	84,886
Accounting Costs			
Staff Costs	56,413		48,194
Payroll Costs	2,244		3,142
Other Costs	3,781		2,217
		62,438	53,553
Office Costs			
Rent & Rates	27,633		27,360
Other Premises Costs	(999)		16,413
Insurance	3,690		3,039
Other Costs	9,540		7,679
		39,864	54,491
Governance Costs			
Audit Fees	5,251		5,094
Other Costs	4,808		1,270
Grants & SLA	(4,129)		-
		5,930	6,364
Lodge Costs			
Staff Costs	-		2,294
Other Costs	-		763
		-	3,057
		201,570	202,351

9. Allocation of Support Costs

	Management Costs	Accounting Costs	Office Costs	Governance Costs	Lodge Costs	Total 2019	Total 2018
	£	£	£	£	£	£	£
Employment Services	28,151	13,052	13,272	1,788	-	56,263	60,427
Children, Adult and Family Services	50,065	36,629	23,602	3,181	-	113,477	111,051
Bromley Scope	1,305	676	615	83	-	2,679	2,984
The Lodge	10,594	4,911	856	673	-	17,034	15,026
Fundraising	3,223	7,170	1,519	205	-	12,117	12,863
Other	-	-	-	-	-	-	-
	93,338	62,438	39,864	5,930	-	201,570	
2018	84,886	53,553	54,491	6,364	3,057		202,351

Basis of Allocation

Management costs	A combination of time and headcount
Accounting costs	A combination of time and headcount
Office costs	Headcount
Governance costs	A combination of time and headcount

10. Expenditure - Staff Costs

No employee exceeded £60,000 in the year (2018: Nil). Staff costs totalling £953,807 (2018: £810,535) were made up as follows:

	2019	2018
	£	£
Wages & salaries	873,291	741,472
Social security costs	58,789	49,602
Pension costs	21,727	19,461
	<u>953,807</u>	<u>810,535</u>

The average number of full-time equivalent employees, analysed by function, was:

	2019	2018
Employment Services	6	5.25
Children, Adult & Family Services	16.75	15.25
Bromley Scope	.5	.5
The Lodge	2.25	1.5
Management & Fundraising	4	4
	<u>29.5</u>	<u>26.5</u>

The average number of employees in the Money Purchase Pension Scheme was 27 in 2019 (2018:19). All employees are offered the opportunity to join the Money Purchase Pension Scheme. If they have their own pension scheme they receive an Employer's contribution at the same rates as those in the Money Purchase Pension Scheme.

Redundancy payments totalling £1,656 (2018: £Nil) were made during the year and are included in the wages and salaries figures above.

The trustees have considered the level of holiday entitlement carried forward at the year end and have decided that it is not material. An accrual has, therefore, not been made.

The average headcount during the year was 102 (2018: 101).

The aggregate remuneration of key management personnel was £186,821 (2018: £189,130)

The only employee benefit received by key management personnel was a 5% contribution to pensions, the aggregate amount of which was £8,759 (2018: £9,123).

11. Donated Services and Facilities

The following amounts, estimated at market value where the actual cost is not known, were included under income.

	2019	2018
	£	£
Big Yellow – Storage	2,300	2,344
Planet Wide City – Young Carer App	2,500	-
Other	860	1,150
	<u>5,660</u>	<u>3,494</u>

12. Indemnity Insurance

The cost of indemnity insurance to indemnify the Board and senior staff against the consequences of any neglect or default on their part was £1,515 (2018: £1,662).

13. Grants to Families

Grants to the value of £160 were paid out during the year (2018: £238).

14. Trustees' Remuneration and Benefits

None of the Trustees received any remuneration for the year (2018: £NIL).

No expenses were reimbursed to Trustees during the year (2018: £NIL).

There were no related party transactions (2018: £nil).

P Prentice is a Director of Bromley Mencap Enterprises Ltd.

15. Pension Obligations - Growth Plan

1. Bromley Mencap participates in The Pensions Trust's Growth Plan (the Plan). The Plan is funded and is not contracted-out of the State scheme. The Plan is a multi-employer pension plan.
2. Contributions paid into the Plan up to and including September 2001 were converted to defined amounts of pension payable from Normal Retirement Date. From October 2001 contributions

were invested in personal funds which have a capital guarantee and which are converted to pension on retirement, either within the Plan or by the purchase of an annuity.

3. The rules of the Plan allow for the declaration of bonuses and/or investment credits if this is within the financial capacity of the Plan assessed on a prudent basis. Bonuses/investment credits are not guaranteed and are declared at the discretion of the Plan's Trustee.
4. The Trustee commissions an actuarial valuation of the Plan every three years. The purpose of the actuarial valuation is to determine the funding position of the Plan by comparing the assets with the past service liabilities as at the valuation date. Asset values are calculated by reference to market levels. Accrued past service liabilities are valued by discounting expected future benefit payments using a discount rate calculated by reference to the expected future investment returns.
5. The rules of the Plan give the Trustee the power to require employers to pay additional contributions in order to ensure that the statutory funding objective under the Pensions Act 2004 is met. The statutory funding objective is that a pension scheme should have sufficient assets to meet its past service liabilities, known as Technical Provisions.
6. If the actuarial valuation reveals a deficit, the Trustee will agree a recovery plan to eliminate the deficit over a specified period of time either by way of additional contributions from employers, investment returns or a combination of these.
7. The rules of the Plan state that the proportion of obligatory contributions to be borne by the member and the member's employer shall be determined by agreement between them. Such agreement shall require the employer to pay part of such contributions and may provide that the employer shall pay the whole of them.
8. Bromley Mencap paid contributions at the rate of 2%, 3% and 5% during the accounting period. Members paid contributions at the rate of 5% during the accounting period.
9. As at the balance sheet date there were 27 active members of the Plan employed by Bromley Mencap. Bromley Mencap continues to offer membership of the Plan to its employees.
10. It is not possible in the normal course of events to identify on a reasonable and consistent basis the share of underlying assets and liabilities belonging to individual participating employers. The Plan is a multi-employer scheme, where the assets are co-mingled for investment purposes, and benefits are paid out of the Plan's total assets. Accordingly, due to the nature of the Plan, the accounting charge for the period under FRS17 represents the employer contribution payable.
11. The valuation results at 30 September 2017 were completed in 2018 and have been formalised. The valuation of the Plan was performed by a professionally qualified Actuary using the Projected Unit Method. The market value of the Plan's assets at the valuation date was £795 million and the Plan's Technical Provisions (i.e. past service liabilities) were £926 million. The valuation therefore, revealed a shortfall of assets compared with the value of liabilities of £131 million, equivalent to a funding level of 86%.
12. The Scheme Actuary has prepared an Actuarial Report that provides an approximate update on the funding position of the Plan at 30 September 2018. Such a report is required by legislation for years in which a full actuarial valuation is not carried out. The funding update revealed a decrease in the assets of the Plan to £764 million and indicated a decrease in the Plan's deficit to approximately £113 million, equivalent to a past service funding level of 87%.
13. If an actuarial valuation reveals a shortfall of assets compared to liabilities, the Trustee must prepare a recovery plan setting out the steps to be taken to make up the shortfall.
14. The Pensions Regulator has the power under Part 3 of the Pensions Act 2004 to issue scheme funding directions where it believes that the actuarial valuation assumptions and/or recovery plan are inappropriate. For example, the Regulator could require that the Trustee strengthens the actuarial assumptions (which would increase the Plan liabilities and hence impact on the recovery plan) or impose a schedule of contributions on the Plan (which would effectively amend the terms of the recovery plan). A copy of the recovery plan in respect of the September 2017 valuation was forwarded to The Pensions Regulator, as is required by legislation.
15. Following a change in legislation in September 2005 there is a potential debt on the employer that could be levied by the Trustee of the Plan and The Pensions Act 2011 has more recently altered the definition of Series 3 of the Growth Plan so that a liability arises to employers from membership of any Series except Series 4. The debt is due in the event of the employer ceasing to participate in the Plan or the Plan winding up.

16. The debt for the Plan as a whole is calculated by comparing the liabilities for the Plan (calculated on a buy-out basis i.e. the cost of securing benefits by purchasing annuity policies from an insurer, plus an allowance for expenses) with the assets of the Plan. If the liabilities exceed assets there is a buy-out debt.
17. The leaving employer's share of the buy-out debt is the proportion of the Plan's liability attributable to employment with the leaving employer compared to the total amount of the Plan's liabilities (relating to employment with all the currently participating employers). The leaving employer's debt therefore includes a share of any 'orphan' liabilities in respect of previously participating employers. The amount of the debt therefore depends on many factors including total Plan liabilities, Plan investment performance, the liabilities in respect of current and former employees of the employer, financial conditions at the time of the cessation event and the insurance buy-out market. Therefore, the amounts of debt can be volatile over time.
18. When an employer withdraws from a multi-employer defined benefit pension scheme which is in deficit, the employer is required by law to pay its share of the deficit, calculated on a statutory basis (known as the buy-out basis). Due to a change in the definition of money purchase contained in the Pensions Act 2011 the calculation basis that applies to the Growth Plan will be amended to include Series 3 liabilities in the calculation of an employer's debt on withdrawal.
19. The Growth Plan is a "last man standing" multi-employer scheme. This means that if a withdrawing employer is unable to pay its debt on withdrawal the liability is shared amongst the remaining employers. The participating employers are therefore, jointly and severally liable for the deficit in the Growth Plan.
20. To limit future liability the trustees have decided to withdraw Bromley Mencap from The Pensions Trust scheme on 30th June 2019 and crystallise the debt. Bromley Mencap has therefore provided for the potential employer debt on withdrawal from the Plan.

	£
Provision at start of accounting period	99,300
Provision made (reversed) in the period	(45,591)
Provision utilised	<u>(13,709)</u>
Provision at end of accounting period	<u>40,000</u>

21. Since 1st October 2011 Bromley Mencap has paid all pension contributions into Series 4 of the Growth Plan which does not have a capital guarantee and does not therefore add further to our liability-

16. Tangible Fixed Assets

	Office Equipment £	Fixtures & Fittings £	Total £
Cost			
At 1 April 2018	55,174	11,475	66,649
Additions	2,900	660	3,560
Disposals	(264)	-	(264)
At 31 March 2019	57,810	12,135	69,945
Depreciation			
At 1 April 2018	33,573	11,354	44,927
Charge for year	8,200	192	8,392
Disposals	(264)	-	(264)
At 31 March 2019	41,509	11,546	53,055
Book value at 31 March 2019	16,301	589	16,890
Book value at 31 March 2018	21,601	121	21,722

17. Fixed Asset Investments

The charity holds 2 shares of £1 each in its wholly owned subsidiary company Bromley Mencap Enterprises Ltd which is incorporated in the United Kingdom. These are the only shares allotted, called up and fully paid.

The company was dormant in the period under review and did not trade.

18. Stock

	2019 £	2018 £
The Lodge	63	168
	63	168

19. Debtors

	2019 £	2018 £
Due within one year		
Prepayments	26,637	13,688
Trade Debtors	82,415	160,017
Other debtors	3,129	2,875
Inland Revenue	3,300	4,039
	115,481	180,619

20. Investments

	2019	2018
	£	£
Investments at market value brought forward	543,739	541,942
Additions	-	-
Income including deposit interest	15,581	15,331
Management Fees	(5,473)	(5,330)
Unrealised gain/(loss) on investment	22,366	(8,204)
	<u>576,213</u>	<u>543,739</u>
One-year bonds	85,014	85,000
	<u>661,227</u>	<u>628,739</u>

21. Creditors

	2019	2018
	£	£
Due within one year		
Other Taxation & Social Security costs	16,487	15,335
Other creditors & accruals	95,244	104,577
Deferred income	52,003	50,918
	<u>163,734</u>	<u>170,830</u>

Deferred income represents income received for services due to start on or after 1st April 2019, where costs have been included from that date onwards.

	2019	2018
	£	£
Balance at beginning of year	50,918	101,227
Amounts released to income	(50,918)	(101,227)
Amounts deferred in the year	52,003	50,918
Balance at the end of the year	<u>52,003</u>	<u>50,918</u>

22. Operating Lease Commitments

The amounts payable under non-cancellable operating leases as at 31 March 2019 are as follows:-

	Land & Buildings	Other Leases	Total 2019	Total 2018
	£	£	£	£
Payable				
Within one year	15,000	634	15,634	15,634
Within two to five years	-	634	634	1,267
In excess of five years	-	-	-	-
	<u>15,000</u>	<u>1,268</u>	<u>16,268</u>	<u>16,901</u>

23. Analysis of Net Assets between Funds

	Unrestricted Funds	Restricted Funds	Total 2019
	£	£	£
Tangible fixed assets	15,897	993	16,890
Investment Assets	2	-	2
Current assets	739,539	558,666	1,298,205
Current liabilities	(83,858)	(79,876)	(163,734)
Long term liabilities	(40,000)	-	(40,000)
	<u>631,580</u>	<u>479,783</u>	<u>1,111,363</u>

Prior Year	Unrestricted Funds	Restricted Funds	Total 2018
	£	£	£
Tangible fixed assets	20,093	1629	21,722
Investment Assets	2	-	2
Current assets	702,474	562,612	1,265,086
Current liabilities	(81,958)	(88,872)	(170,830)
Long term liabilities	(99,300)	-	(99,300)
	<u>541,311</u>	<u>475,369</u>	<u>1,016,680</u>

24. Movements in Funds

	Balance 1 April 2018	Income	Expenditure	Net Transfers	Gain on Investment	Balance 31 March 2019
	£	£	£	£	£	£
Restricted Funds						
Employment Services	41,838	230,439	(226,294)	-	-	45,983
Children, Adult & Family Services	184,445	582,356	(575,472)	6,827	-	198,156
Scope Funds	249,086	-	(13,442)	-	-	235,644
The Lodge	-	35,812	(35,812)	-	-	0
Other Restricted	-	4,129	(4,129)	-	-	0
	<u>475,369</u>	<u>852,736</u>	<u>(855,149)</u>	<u>6,827</u>	<u>-</u>	<u>479,783</u>
Unrestricted Funds						
Designated Funds						
Employment Services	1,753	-	-	25,967	-	27,720
Children, Adult & Family Services	16,538	-	-	11,713	-	28,251
The Lodge	61,556	-	-	(46,961)	-	14,595
	<u>79,847</u>	<u>-</u>	<u>-</u>	<u>(9,281)</u>	<u>-</u>	<u>70,566</u>
Tangible Fixed Assets	21,722	3,824	(8,656)	-	-	16,890
Pension Reserve	99,300	-	(13,709)	(45,591)	-	40,000
General Funds	340,442	384,143	(346,571)	93,636	32,474	504,124
	<u>541,311</u>	<u>387,967</u>	<u>(368,936)</u>	<u>38,764</u>	<u>32,474</u>	<u>631,580</u>
Total Funds	<u>1,016,680</u>	<u>1,240,703</u>	<u>(1,224,085)</u>	<u>45,591</u>	<u>32,474</u>	<u>1,111,363</u>

Prior Year	Balance 1 April 2017	Income	Expenditure	Net Transfers	Gain on Investment	Balance 31 March 2018
	£	£	£	£	£	£
Restricted Funds						
Employment Services	40,922	190,625	(189,709)	-	-	41,838
Children, Adult & Family Services	182,391	467,987	(468,722)	2,789	-	184,445
Scope Funds	266,708	-	(17,622)	-	-	249,086
The Lodge	-	114,324	(114,324)	-	-	-
Other Restricted	-	500	(500)	-	-	-
	490,021	773,436	(790,877)	2,789	-	475,369
Unrestricted Funds						
Designated Funds						
Employment Services	-	-	-	1,753	-	1,753
Children, Adult & Family Services	31,622	-	-	(15,084)	-	16,538
The Lodge	55,887	-	-	5,669	-	61,556
	87,509	-	-	(7,662)	-	79,847
Tangible Fixed Assets	4,978	27,289	(10,545)	-	-	21,722
Pension Reserve	103,000	-	-	(3,700)	-	99,300
General Funds	313,186	335,312	(322,126)	12,273	1,797	340,442
	508,673	362,601	(332,671)	911	1,797	541,311
Total Funds	998,694	1,136,037	(1,123,548)	3,700	1,797	1,016,680

Purposes of Restricted Funds

The income funds of the charity include restricted funds comprising unexpended balances of donations and grants held on trust to be applied for specific purposes, as explained in the Trustees Report.

Transfers totalling £6,827 were made from unrestricted funds to restricted funds to cover the excess of costs incurred (2018: £2,789).

A reduction of £45,591 (2018: £3,700 decrease) was made to the provision for the potential employer debt on withdrawal from the pension plan.

Purposes of Designated Funds

The Board has set aside £70,566 (2018: £79,847) of unrestricted funds to fund anticipated funding shortfalls in ongoing projects during the next financial year.

Purposes of Tangible Fixed Assets

Tangible Fixed Assets with a net book value of £16,890 (2018: £21,722) are held to provide an ongoing benefit to the charity through their contribution, directly or indirectly, to the provision of services by the charity.

Purposes of Pensions Reserve

The Board has set aside £40,000 (2018: £99,300) to fund the potential employer debt on withdrawal from The Pensions Trust scheme.

Purposes of General Funds

General Funds are necessary to provide short term stability and working capital in the event of unforeseen funding problems. The level currently required, as specified in the reserves policy, is £440,166 (2018: £462,841).

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