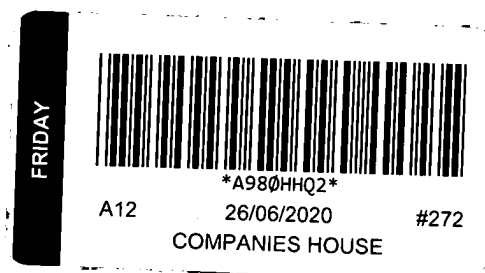


44570. L.C.

Registered number: 05595628
Charity number: 1115348

CARLISLE MENCAP LIMITED
(A company limited by guarantee)
TRUSTEES' REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 SEPTEMBER 2019



ArmstrongWatson[®]
Accountants, Business & Financial Advisers

CARLISLE MENCAP LIMITED
(A company limited by guarantee)

CONTENTS

	Page
Reference and administrative details of the company, its Trustees and advisers	1
Trustees' report	2 - 9
Independent auditors' report on the financial statements	12
Statement of financial activities	13
Balance sheet	14 - 15
Statement of cash flows	16
Notes to the financial statements	17 - 39

CARLISLE MENCAP LIMITED
(A company limited by guarantee)

**REFERENCE AND ADMINISTRATIVE DETAILS OF THE COMPANY, ITS TRUSTEES AND ADVISERS
FOR THE YEAR ENDED 30 SEPTEMBER 2019**

Trustees	Mrs C Bowditch, Chair Mrs G Ternent, Treasurer Mr T Baty Miss E Harkness, Vice Chair Mrs J Harland Miss L Power Mrs C Bowman Mrs C Thompson Mr S Bowditch Mrs A Fletcher Mr N Steel Mr N Braiden Mrs I Roberts-Green Miss S McBean
Company registered number	05595628
Charity registered number	1115348
Registered office	Unit J3 Duchess Avenue Kingmoor Park North Carlisle Cumbria CA6 4SN
Company secretary	Mrs S Gregory
Independent auditors	Armstrong Watson Audit Limited Chartered Accountants Fairview House Victoria Place Carlisle Cumbria CA1 1HP
Bankers	HSBC Plc PO Box 5 29 English Street Carlisle Cumbria CA3 8JW CAF Bank Ltd 25 Kings Hill Avenue Kings Hill West Malling Kent ME19 4JQ

CARLISLE MENCAP LIMITED
(A company limited by guarantee)

TRUSTEES' REPORT
FOR THE YEAR ENDED 30 SEPTEMBER 2019

The Trustees present their annual report together with the audited financial statements of the company for the year 1 October 2018 to 30 September 2019. The Annual report serves the purposes of both a Trustees' report and a directors' report under company law. The Trustees confirm that the Annual report and financial statements of the charitable company comply with the current statutory requirements, the requirements of the charitable company's governing document and the provisions of the Statement of Recommended Practice (SORP) applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS102) (effective 1 January 2015) as amended by Update Bulletin 1 (effective January 2015).

Since the company qualifies as small under section 382 of the Companies Act 2006, the Strategic report required of medium and large companies under the Companies Act 2006 (Strategic Report and Directors' Report) Regulations 2013 has been omitted.

Introduction

2018/19 has been another challenging year for the charity as, like many other involved in social care, our statutory funding is continually under increased pressure. Contracts from statutory providers are being paired down increasingly and it reflects well on the staff team that they are able to respond robustly to these challenges and continue to provide high quality support to disabled people and their families. This reflected in our good inspection reports in our regulated services. We are delighted that all services are graded good, or outstanding in the case of the service at Huntley Avenue, Penrith.

Objectives and activities

a. Policies and objectives

The organisation's policy is to improve the lives of people with learning disabilities in Cumbria by providing life long quality person centred support.

In setting objectives and planning for activities, the Trustees have given due consideration to general guidance published by the Charity Commission relating to public benefit, including the guidance 'Public benefit: running a charity (PB2)'.

b. Strategies for achieving objectives

Strategies for the charity include:

1. The continual improvement of our existing services and the further extension of those services to new clients and new areas particularly across South Cumbria.
2. Working in collaboration with other organisations and consortia to increase our services and reach across a wider part of the county.
3. Developing fundraising and income generation from non-statutory sources; a fundraiser is now in place to this end.
4. Implementation of a new staffing structure across the organisation to reduce expenditure.

CARLISLE MENCAP LIMITED
(A company limited by guarantee)

TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 30 SEPTEMBER 2019

Objectives and activities (continued)

c. Activities undertaken to achieve objectives

Notable achievements - although a lot of the year has been spent working on the staffing restructure there have been a good number of notable achievements such as:

- There was a very successful exhibition in Tullie House to celebrate the 50th anniversary.
- California House has continued to be very busy following the refurbishment with many new clients and more activities available.
- All five registered services were inspected this year all had favourable reports with outreach services: California House, Grace Little Centre and Hart Street getting a good rating. Huntley Avenue achieved a well deserved outstanding rating.
- The completion of the seventh year of service at the Grace Little Children's Centre was a great achievement with the centre now working with some very complex young people.
- The children's respite services at Hart Street, Ulverston and Huntley Avenue, continue to be an important part of the Carlisle Mencap family.
- We were really pleased to be commissioned by Morecambe Bay CCG to provide E-PaTS programmes in Kendal and Barrow. This is early interventional support for parents of children under five.
- There is continuing growth in outreach - we have continued to attract new clients and have extended the number of hours of support provided.
- Training is a high priority as we need to provide clients with a high quality, safe experience.
- The Independence Studio film making group continue to make successful films – the film 'tell someone' won the national Crimbeat award. The studio is now busy working on two films; one about cybercrime and the second about young people in transition.

The Trustees meet annually with senior managers for a strategic planning day to plan the year ahead - they look at likely risks and opportunities. This is in addition to their bi-monthly Trustee meeting which monitors activities and plans.

Planning priorities include:

- Development of the California House - to include both residential and non residential activities.
- Developing the new countywide children's services, dealing with the funding issues and opportunities created by the new services.
- To develop further early intervention work with families of children under five (E-PaTS).
- Development of community day services - this is a new area of work which will allow us to offer a new service to small groups of clients wanting to do community based activities.
- Development of new ways of working to combat funding cuts and reduced opportunities; this involved the implementation of a staff structural review undertaken by Wingspan Consultants.
- Seek to renew existing contracts and obtain new ones by being fully involved in tenders offered within our area by Cumbria County Council and others.
- Develop new funding streams, especially corporate funders and events.

Post Balance Sheet Event

On 11 March 2020, the World Health Organisation declared the COVID-19 Virus a pandemic, following which the Government enforced lockdown measures nationwide which brought all non-essential travel and trade to a halt.

Whilst the charity had to temporarily suspend its fundraising and trade activity during this time, it continued to provide its essential care services once protective measures were put in place.

In light of this, the Trustees have reviewed the charity's position and outlined the reasons why the going concern basis is appropriate in accounting policy 2.2 to the accounts.

CARLISLE MENCAP LIMITED
(A company limited by guarantee)

TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 30 SEPTEMBER 2019

Objectives and activities (continued)

Achievements and performance

a. Review of activities

During 2018/19 the organisation has continued its core activities and developed some new services, these include:

California House

Residential respite care for adults with learning disabilities. The house has five guest bedrooms, two are fully accessible for those with profound physical disabilities. The house is open 365 days a year. This service is now funded on a spot purchase system.

Community Support Adults

We provide services for adults in the community. Services provided can be very varied - from helping someone to go shopping, supporting people to do leisure activities, to spending entire days with clients supporting all of their daily activities.

Supported Living

We supply 24 hour support in the community for nine clients in their own homes.

Children's Services including:

Grace Little Centre

There has been continued growth in the use of the centre for both community and residential activities. The Centre is used for training, parents' meetings and children's clubs as well as overnight stays.

Residential Respite

Hart Street, Ulverston and Huntley Avenue, Penrith, two very well established respite homes, were welcomed to Carlisle Mencap in 2017. The homes run full time with around 100 children accessing them.

Children's Community Support

We support young people in the community whilst their parents take a break. We either take care of the children at home or take them out in to the community to do an activity.

Activators Club and Holiday Play Schemes

We are commissioned by NHS to provide short term non-residential care for disabled children. Activators club operates on Saturdays providing a service for up to 14 children a week. The club also offers a play scheme during school holidays.

Children's Holiday Breaks

We have again received a generous grant from BBC Children in Need to organise five holiday breaks for young people for the next 3 years.

Short Breaks

We now provide activities on Saturdays, Sundays, Mondays and Thursdays as well as school holiday activities. We now have weekend clubs and holiday clubs across North Allerdale. This service has now been extended to South Cumbria.

Cumbria Autism Family Support Project

Four part-time support workers work supporting families with children on the autistic spectrum. The workers advise, educate and signpost. This service covers the whole of Cumbria.

CARLISLE MENCAP LIMITED
(A company limited by guarantee)

TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 30 SEPTEMBER 2019

Strategic report (continued)

Achievements and performance (continued)

Carlisle Active

Carlisle Active continues with fell walking at weekends and is very popular. Active Sundays are funded by the Big Lottery and are extremely popular, with up to 50 people attending throughout the year. Members have been involved in sports and art projects.

Sports Development Service

A service designed to encourage members to keep fit. It began in May 2017 and is funded by Cumbria Community Foundation. It has been very successful in supporting members to get involved in gym, tennis, walking and football. Over 30 people attend a weekly activity based at the Carlisle Youth Zone.

Holidays

We provide two four-day holidays a year for up to 40 adults in total. The holidaymakers are supported by volunteers. There is a part-time paid manager. This service has been provided for over 30 years.

The Shop

We now have a shop in Botchergate where we sell second hand goods.

Doves Café

This runs two days a week in partnership with the Church of Scotland.

The Independence Studio

This is a social enterprise based on film making and art which operates from the Grace Little Centre, three days a week.

Family Advisor Service

We have a family advisor service to provide information and advice to service users and their families.

b. Fundraising activities and income generation

The charity does not use any outside fundraiser. Main fundraising activities, apart from the shop, are grant applications undertaken by the CEO. We also have a fundraising and events officer on the payroll whose responsibility is to organise fundraising events and work with the local business community.

c. Investment policy and performance

The organisation adopts a cautious approach to investment and funds are held in savings accounts which are deemed to be low risk.

CARLISLE MENCAP LIMITED
(A company limited by guarantee)

TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 30 SEPTEMBER 2019

Strategic report (continued)

(continued)

a. Going concern

Due to the acquisition of a £1.588m LGPS liability in 2017, the charity has been running an overall deficit since inheriting this liability that was transferred, along with TUPE staff, as part of the two new Cumbria County Council contracts that were taken on in 2017. The overall deficit increased to £1,588,155 from £123,977 in 2019.

The Trustees have reviewed going concern in light of this and as the liability will transfer back out of the charity with the TUPE staff should they cease the contract with the Cumbria County council, the charity would be back to an overall surplus. Cumbria County Council are also providing additional grant funding to contribute towards the additional LGPS costs associated with the new contracts.

To ensure that the charity can meet the additional costs of these two contracts, they have undergone a staffing restructure, which is projected to reduce costs of approximately £100k going into 2020. In the Trustees opinion, this cash saving will allow them to meet the charity's liabilities as they fall due.

After making appropriate enquiries, the Trustees have a reasonable expectation that the company has adequate resources to continue in operational existence for the foreseeable future. For this reason they continue to adopt the going concern basis in preparing the financial statements.

b. Reserves policy

The policy of the society is to maintain enough reserves to continue operations for three months. Three months running costs are £450,000, which includes essential staffing to maintain services, housekeeping, rentals, insurances and registration costs. Reserves are monitored by the trustees bi-monthly.

c. Principal funding

The financial constraints indicated from national and local government make it difficult to plan services ahead. However, we have been pleased to generate a sound income for the year. Trustees chose to use funds from services to fund additional charitable activities. Cumbria County Council contracts are still the major funding source and because of uncertainty and expected constraints on local authority funding we continue to look at diversification of our income from other sources, including direct fundraising and a variety of grants. We have employed a fundraiser to support income generation.

CARLISLE MENCAP LIMITED
(A company limited by guarantee)

TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 30 SEPTEMBER 2019

Strategic report (continued)

(continued)

d. Results for the year

The results for the year show an excess of expenditure over income of £510,178. Overall funds carried forward amount to a deficit of £1,588,155 being restricted funds of £92,387 and deficit on unrestricted funds of £1,680,542.

The deficit on unrestricted funds is as a result of the inclusion of a LGPS liability of £1.588m at the point of undertaking two new Cumbria County Council contracts in 2017 where staff were transferred via the TUPE regulations to the charity, with the charity taking the responsibilities and benefits of these staff.

At the year end date the actuarial valuation reported the liability to the charity, who are now a participating employer in the scheme, a deficit of £2.558m. Without this liability, the total funds would have amounted to £969,845. Should the contract cease in the future then all staff would transfer along with any liabilities at that date.

CARLISLE MENCAP LIMITED
(A company limited by guarantee)

TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 30 SEPTEMBER 2019

Strategic report (continued)

(continued)

Structure, governance and management

a. Constitution

Carlisle Mencap Limited is registered as a charitable company limited by guarantee and was set up by a Memorandum of Association. The company is constituted under a Memorandum of Association and is a registered charity number 1115348. The company was incorporated on and commenced trading on that date.

The objectives of the society are:

- the relief of people with a learning disability in particular by the provision of help and support for them and their families, dependents and carers, and to prevent learning disabilities for the public benefit and to advance religion amongst persons with learning disability;
- to provide and assist in the provision of facilities for the recreation or other leisure time occupation for people who have the need thereof by reason of learning disability with the object of improving their conditions of life.

There have been no changes in the objectives since the last annual report.

b. Methods of appointment or election of Trustees

The management of the company is the responsibility of the Trustees who are elected and co-opted under the terms of the Memorandum of Association.

c. Organisational structure and decision-making policies

The Trustees meet bi-monthly to discuss policy and strategy. There is an additional finance and sub committee which meets as and when required to discuss some matters in further depth. The CEO is line managed by the Trustees. The CEO has the day to day running of the organisation – she is supported by two operations managers, a business manager and a further 8 service managers who manage the staff teams.

d. Policies adopted for the induction and training of Trustees

Trustees are inducted and given training in their role by the Chief Officer. All take part in child protection training. There is an annual away day where they get together to explore and understand their role.

e. Financial risk management

The Trustees have assessed the major risks to which the company is exposed, in particular those related to the operations and finances of the company, and are satisfied that systems and procedures are in place to mitigate exposure to the major risks.

f. Future developments

In 2018/19 a staff restructure took place to reduce costs – this was successful as a number of long term staff took early retirement- a new business manager has now been appointed to steer through a new business plan to further reduce costs and develop additional revenue streams.

CARLISLE MENCAP LIMITED
(A company limited by guarantee)

TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 30 SEPTEMBER 2019

Statement of Trustees' responsibilities

The Trustees (who are also the directors of the company 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 (United Kingdom Generally Accepted Accounting Practice).

Company law requires the Trustees to prepare financial statements for each financial year. Under company law the Trustees must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the company and of its incoming resources and application of resources, including its income and expenditure, for that period. In preparing these financial statements, the Trustees are required to:

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles of the Charities SORP (FRS 102);
- make judgments and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards (FRS 102) have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The Trustees are responsible for keeping adequate accounting records that are sufficient to show and explain the company's transactions and disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Disclosure of information to auditors

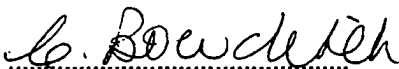
Each of the persons who are Trustees at the time when this Trustees' report is approved has confirmed that:

- so far as that Trustee is aware, there is no relevant audit information of which the charity's auditors are unaware, and
- that Trustee has taken all the steps that ought to have been taken as a Trustee in order to be aware of any relevant audit information and to establish that the charity's auditors are aware of that information.

Auditors

The auditors, Armstrong Watson Audit Limited, have indicated their willingness to continue in office. The designated Trustees will propose a motion reappointing the auditors at a meeting of the Trustees.

Approved by order of the members of the board of Trustees and signed on their behalf by:



Mrs C Bowditch
(Chair of Trustees)

Date: 18 June 2020

CARLISLE MENCAP LIMITED
(A company limited by guarantee)

INDEPENDENT AUDITORS' REPORT TO THE TRUSTEES OF CARLISLE MENCAP LIMITED

Opinion

We have audited the financial statements of Carlisle Mencap Limited (the 'charitable company') for the year ended 30 September 2019 which comprise the Statement of financial activities, the Balance sheet, the Statement of cash flows and the related notes, including a summary of significant accounting policies. 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).

In our opinion the financial statements:

- give a true and fair view of the state of the charitable company's affairs as at 30 September 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 Charities Act 2011.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditors' responsibilities for the audit of the financial statements section of our report. We are independent of the charitable company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the United Kingdom, including the Financial Reporting Council's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Material uncertainty related to going concern

We draw attention to note 2.2 in the financial statements, which indicates that as a result of inheriting a £1.588m LGPS liability as part of two Council contracts in 2017, the effect of this liability continues to cast significant doubt on the charitable company's ability to continue as a going concern. As stated in note 2.2, these events or conditions, along with the other matters as set forth in the note 2.2, indicate that a material uncertainty exists that may cast significant doubt on the charitable company's ability to continue as a going concern. Our opinion is not modified in respect of this matter.

Other information

The Trustees are responsible for the other information. The other information comprises the information included in the Annual report, other than the financial statements and our Auditors' report thereon. Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

CARLISLE MENCAP LIMITED
(A company limited by guarantee)

INDEPENDENT AUDITORS' REPORT TO THE TRUSTEES OF CARLISLE MENCAP LIMITED
(CONTINUED)

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters where the Charities (Accounts and Reports) Regulations 2008 requires us to report to you if, in our opinion:

- the information given in the Trustees' report is inconsistent in any material respect with the financial statements; or
- sufficient accounting records have not been kept; or
- the financial statements are not in agreement with the accounting records and returns; or
- we have not received all the information and explanations we require for our audit.

Responsibilities of trustees

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, and for such internal control as the Trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Trustees are responsible for assessing the charitable company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Trustees either intend to liquidate the charitable company or to cease operations, or have no realistic alternative but to do so.

Auditors' responsibilities for the audit of the financial statements

We have been appointed as auditor under section 144 of the Charities Act 2011 and report in accordance with the Act and relevant regulations made or having effect thereunder.

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an Auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our Auditors' report.

CARLISLE MENCAP LIMITED
(A company limited by guarantee)

INDEPENDENT AUDITORS' REPORT TO THE TRUSTEES OF CARLISLE MENCAP LIMITED
(CONTINUED)

Use of our report

This report is made solely to the charitable company's trustees, as a body, in accordance with Part 4 of the Charities (Accounts and Reports) Regulations 2008. Our audit work has been undertaken so that we might state to the charitable company's trustees those matters we are required to state to them in an Auditors' report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charitable company's and its trustees, as a body, for our audit work, for this report, or for the opinions we have formed.

Armstrong Watson Audit Limited

Armstrong Watson Audit Limited
Chartered Accountants
Statutory Auditors
Carlisle

Date: *25 June 2020*

Armstrong Watson Audit Limited are eligible to act as auditors in terms of section 1212 of the Companies Act 2006.

CARLISLE MENCAP LIMITED
(A company limited by guarantee)

**STATEMENT OF FINANCIAL ACTIVITIES (INCORPORATING INCOME AND EXPENDITURE ACCOUNT)
FOR THE YEAR ENDED 30 SEPTEMBER 2019**

	Note	Unrestricted funds 2019 £	Restricted funds 2019 £	Total funds 2019 £	Total funds 2018 £
Income from:					
Donations and legacies	4	20,147	227,598	247,745	401,871
Charitable activities	5	1,431,070	1,235,878	2,666,948	2,562,896
Other trading activities	6	19,271	-	19,271	23,160
Investments	7	1,175	-	1,175	169
Total income		1,471,663	1,463,476	2,935,139	2,988,096
Expenditure on:					
Raising funds	8	19,432	-	19,432	19,442
Charitable activities	9	1,885,322	1,540,563	3,425,885	3,193,738
Total expenditure		1,904,754	1,540,563	3,445,317	3,213,180
Net expenditure		(433,091)	(77,087)	(510,178)	(225,084)
Transfers between funds	19	16,282	(16,282)	-	-
Net movement in funds before other recognised gains/(losses)		(416,809)	(93,369)	(510,178)	(225,084)
Other recognised gains/(losses):					
Actuarial losses on defined benefit pension schemes	24	(954,000)	-	(954,000)	318,000
Net movement in funds		(1,370,809)	(93,369)	(1,464,178)	92,916
Reconciliation of funds:					
Total funds brought forward		(309,733)	185,756	(123,977)	(216,893)
Net movement in funds		(1,370,809)	(93,369)	(1,464,178)	92,916
Total funds carried forward		(1,680,542)	92,387	(1,588,155)	(123,977)

The Statement of financial activities includes all gains and losses recognised in the year.

The notes on pages 17 to 39 form part of these financial statements.

CARLISLE MENCAP LIMITED
(A company limited by guarantee)
REGISTERED NUMBER: 05595628

BALANCE SHEET
AS AT 30 SEPTEMBER 2019

	Note	2019 £	2018 £
Fixed assets			
Tangible assets	14	933,466	953,826
		<u>933,466</u>	<u>953,826</u>
Current assets			
Debtors	15	238,351	296,827
Cash at bank and in hand		100,513	195,661
		<u>338,864</u>	<u>492,488</u>
Creditors: amounts falling due within one year	16	(265,485)	(323,291)
Net current assets		<u>73,379</u>	<u>169,197</u>
Total assets less current liabilities		<u>1,006,845</u>	<u>1,123,023</u>
Creditors: amounts falling due after more than one year	17	(37,000)	-
Net assets excluding pension liability		<u>969,845</u>	<u>1,123,023</u>
Defined benefit pension scheme liability	24	(2,558,000)	(1,247,000)
Total net assets		<u><u>(1,588,155)</u></u>	<u><u>(123,977)</u></u>

CARLISLE MENCAP LIMITED
(A company limited by guarantee)

BALANCE SHEET (CONTINUED)
AS AT 30 SEPTEMBER 2019

	Note	2019 £	2018 £
Charity funds			
Restricted funds	19	92,387	185,756
Unrestricted funds			
Unrestricted funds excluding pension asset	19	877,458	937,267
Pension reserve	19	(2,558,000)	(1,247,000)
Total unrestricted funds	19	(1,680,542)	(309,733)
Total funds		(1,588,155)	(123,977)

The entity was entitled to exemption from audit under section 477 of the Companies Act 2006.

The members have not required the entity to obtain an audit for the year in question in accordance with section 476 of the Companies Act 2006.

However, an audit is required in accordance with section 144 of the Charities Act 2011.

The Trustees acknowledge their responsibilities for complying with the requirements of the Act with respect to accounting records and preparation of financial statements.

The financial statements have been prepared in accordance with the provisions applicable to entities subject to the small companies regime.

The financial statements were approved and authorised for issue by the Trustees and signed on their behalf by:



Mrs C Bowditch

Chairperson

Date: 18 June 2020

The notes on pages 17 to 39 form part of these financial statements.

CARLISLE MENCAP LIMITED
(A company limited by guarantee)

STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 30 SEPTEMBER 2019

	2019 £	2018 £
Cash flows from operating activities (see note 21)		
Net cash used in operating activities	66,000	189,067
Cash flows from investing activities		
Dividends, interests and rents from investments	1,175	169
Purchase of tangible fixed assets	(18,748)	(221,837)
Total benefits paid in defined benefit pension scheme	(140,000)	(153,000)
Interest paid	(3,575)	-
Net cash used in investing activities	(161,148)	(374,668)
Cash flows from financing activities		
Net cash provided by financing activities	-	-
Change in cash and cash equivalents in the year	(95,148)	(185,601)
Cash and cash equivalents at the beginning of the year	195,661	381,262
Cash and cash equivalents at the end of the year	100,513	195,661

The notes on pages 17 to 39 form part of these financial statements

CARLISLE MENCAP LIMITED
(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 SEPTEMBER 2019**

1. General information

The charitable company is a company limited by guarantee. The members of the company are the Trustees as named on Page 1. Company number is 05595628 and the charity number 1115348. Its registered office is Unit J3, Duchess Avenue, Kingmoor Park North, Carlisle, Cumbria, CA6 4SN.

In the event of the charitable company being wound up, the liability in respect of the guarantee is limited to £1 per member of the company.

2. Accounting policies

2.1 Basis of preparation of financial statements

The financial statements have been prepared in accordance with the Charities SORP (FRS 102) - 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), the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) and the Companies Act 2006.

Carlisle Mencap Limited meets the definition of a public benefit entity under FRS 102. Assets and liabilities are initially recognised at historical cost or transaction value unless otherwise stated in the relevant accounting policy.

2.2 Going concern

At the balance sheet date the net assets of the charity were £1,588,155 (2018 - £123,977) in deficit. This is due to the charity acquiring a LGPS liability in 2017 of £1.588m at the point of undertaking two new Cumbria County Council contracts where staff were transferred via the TUPE regulations to the charity, with the charity taking the responsibilities and benefits of these staff members.

At the year end date the actuarial valuation reported the liability to the charity, who are now a participating employer in the scheme, a deficit of £2,558,000 (2018 - £1,247,000). Without this liability, the total funds would have amounted to £969,844 (2018 - £1,123,023). Should the contract cease in the future then all staff would transfer along with any liabilities at that date.

Since the year end date, the COVID-19 pandemic has affected the economic conditions of businesses and individuals within the UK. The Trustees have considered both the operational and financial implications, for a period of 12 months from the date of signing these financial statements, on the future cashflows of the charity. In their opinion, there will be no material impact to the revenues generated by the charity due to the majority of the charity's income being received from local or central government. In addition the charity is committed to the services which they provide to their service users albeit there may be changes in their delivery methods for a period of time. The Trustees are committed to supporting and providing a safe environment for all of their service users and their families during these challenging times.

2.3 Income

All income is recognised once the company has entitlement to the income, it is probable that the income will be received and the amount of income receivable can be measured reliably.

Grants are included in the Statement of financial activities on a receivable basis. The balance of income received for specific purposes but not expended during the period is shown in the relevant funds on the Balance sheet. Where income is received in advance of entitlement of receipt, its recognition is deferred and included in creditors as deferred income. Where entitlement occurs before income is received, the income is accrued.

CARLISLE MENCAP LIMITED
(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 SEPTEMBER 2019**

2. Accounting policies (continued)

2.3 Income (continued)

Income tax recoverable in relation to investment income is recognised at the time the investment income is receivable.

Other income is recognised in the period in which it is receivable and to the extent the goods have been provided or on completion of the service.

2.4 Expenditure

Expenditure is recognised once there is a legal or constructive obligation to transfer economic benefit to a third party, it is probable that a transfer of economic benefits will be required in settlement and the amount of the obligation can be measured reliably. Expenditure is classified by activity. The costs of each activity are made up of the total of direct costs and shared costs, including support costs involved in undertaking each activity. Direct costs attributable to a single activity are allocated directly to that activity. Shared costs which contribute to more than one activity and support costs which are not attributable to a single activity are apportioned between those activities on a basis consistent with the use of resources. Central staff costs are allocated on the basis of time spent, and depreciation charges allocated on the portion of the asset's use.

Expenditure on raising funds includes all expenditure incurred by the company to raise funds for its charitable purposes and includes costs of all fundraising activities events and non-charitable trading.

Expenditure on charitable activities is incurred on directly undertaking the activities which further the company's objectives, as well as any associated support costs.

All expenditure is inclusive of irrecoverable VAT.

2.5 Interest receivable

Interest on funds held on deposit is included when receivable and the amount can be measured reliably by the company; this is normally upon notification of the interest paid or payable by the institution with whom the funds are deposited.

2.6 Tangible fixed assets and depreciation

Tangible fixed assets costing £500 or more are capitalised and recognised when future economic benefits are probable and the cost or value of the asset can be measured reliably.

Tangible fixed assets are initially recognised at cost. After recognition, under the cost model, tangible fixed assets are measured at cost less accumulated depreciation and any accumulated impairment losses. All costs incurred to bring a tangible fixed asset into its intended working condition should be included in the measurement of cost.

Depreciation is charged so as to allocate the cost of tangible fixed assets less their residual value over their estimated useful lives, using the straight-line method and reducing balance.

Depreciation is provided on the following bases:

Freehold property	- 2% straight line
Leasehold property	- 2% straight line
Motor vehicles	- 25% reducing balance
Fixtures, fittings and equipment	- 25% reducing balance

CARLISLE MENCAP LIMITED
(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 SEPTEMBER 2019**

2. Accounting policies (continued)

2.7 Debtors

Trade and other debtors are recognised at the settlement amount after any trade discount offered. Prepayments are valued at the amount prepaid net of any trade discounts due.

2.8 Cash at bank and in hand

Cash at bank and in hand includes cash and short-term highly liquid investments with a short maturity of three months or less from the date of acquisition or opening of the deposit or similar account.

2.9 Liabilities

Liabilities and provisions are recognised when there is an obligation at the Balance sheet date as a result of a past event, it is probable that a transfer of economic benefit will be required in settlement, and the amount of the settlement can be estimated reliably.

Liabilities are recognised at the amount that the charitable company anticipates it will pay to settle the debt or the amount it has received as advanced payments for the goods or services it must provide.

Provisions are measured at the best estimate of the amounts required to settle the obligation. Where the effect of the time value of money is material, the provision is based on the present value of those amounts, discounted at the pre-tax discount rate that reflects the risks specific to the liability. The unwinding of the discount is recognised in the Statement of financial activities as a finance cost.

2.10 Financial instruments

The company only has financial assets and financial liabilities of a kind that qualify as basic financial instruments. Basic financial instruments are initially recognised at transaction value and subsequently measured at their settlement value with the exception of bank loans which are subsequently measured at amortised cost using the effective interest method.

2.11 Operating leases

Rentals paid under operating leases are charged to the Statement of financial activities on a straight line basis over the lease term.

2.12 Pensions

The company operates a defined contribution pension scheme and the pension charge represents the amounts payable by the company to the fund in respect of the year.

The company operates a defined benefits pension scheme and the pension charge is based on a full actuarial valuation dated 27 November 2019.

CARLISLE MENCAP LIMITED
(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 SEPTEMBER 2019**

2. Accounting policies (continued)

2.13 Fund accounting

General funds are unrestricted funds which are available for use at the discretion of the Trustees in furtherance of the general objectives of the company and which have not been designated for other purposes.

Designated funds comprise unrestricted funds that have been set aside by the Trustees for particular purposes. The aim and use of each designated fund is set out in the notes to the financial statements.

Restricted funds are funds which are to be used in accordance with specific restrictions imposed by donors or which have been raised by the company for particular purposes. The costs of raising and administering such funds are charged against the specific fund. The aim and use of each restricted fund is set out in the notes to the financial statements.

Investment income, gains and losses are allocated to the appropriate fund.

3. Critical accounting estimates and areas of judgment

Estimates and judgments are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

Critical accounting estimates and assumptions:

The charitable company makes estimates and assumptions concerning the future. The resulting accounting estimates and assumptions will, by definition, seldom equal the related actual results. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below.

Critical areas of judgment:

The entity takes part in multiple projects that are funded partly by restricted grant income. As a result, the trustees have estimated that the most appropriate basis of support cost allocation is based upon the percentage of total incoming resources.

Establishing useful economic lives:

Establishing useful economic lives for depreciation purposes of property, plant and equipment comprise a significant portion of the total fixed assets. The annual depreciation charge depends primarily on the estimated useful economic lives of each type of asset and estimates of residual values. The trustees regularly review these assets useful economic lives and change them as necessary to reflect current thinking on remaining lives in light of prospective economic utilisation and physical condition of the assets concerned. Changes in asset useful lives can have a significant impact on depreciation charges for the period. Details of the depreciation policies based on estimated useful economic lives are included in accounting policy note 2.6.

Defined benefit pension liability

The present value of the defined benefit liability depends on a number of factors that are determined on an actuarial basis using a variety of assumptions. The assumptions used in determining the net cost (income) for pensions include the discount rate. Any changes in these assumptions, which are disclosed in note 24, will impact the carrying amount of the pension liability. Results from the actuarial valuation performed at 30 September 2019 has been used by the actuary in valuing the pensions liability at the balance sheet date.

CARLISLE MENCAP LIMITED
(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 SEPTEMBER 2019**

4. Income from donations and legacies

	Unrestricted funds 2019 £	Restricted funds 2019 £	Total funds 2019 £	Total funds 2018 £
Donations	18,989	-	18,989	37,424
Grants	1,158	227,598	228,756	364,447
	<u>20,147</u>	<u>227,598</u>	<u>247,745</u>	<u>401,871</u>
<i>Total 2018</i>	<u>36,424</u>	<u>365,447</u>	<u>401,871</u>	

5. Income from charitable activities

	Unrestricted funds 2019 £	Restricted funds 2019 £	Total funds 2019 £	Total funds 2018 £
Income from charitable activities	1,431,070	1,235,878	2,666,948	2,562,896
	<u>1,431,070</u>	<u>1,235,878</u>	<u>2,666,948</u>	
<i>Total 2018</i>	<u>1,285,656</u>	<u>1,277,240</u>	<u>2,562,896</u>	

6. Income from other trading activities

Income from non charitable trading activities

	Unrestricted funds 2019 £	Total funds 2019 £	Total funds 2018 £
Shop income	19,271	19,271	23,160
	<u>19,271</u>	<u>19,271</u>	<u>23,160</u>

CARLISLE MENCAP LIMITED
(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 SEPTEMBER 2019**

7. Investment income

	Unrestricted funds 2019 £	Total funds 2019 £	Total funds 2018 £
Interest received on investments	1,175	1,175	169

8. Expenditure on raising funds

Costs of raising voluntary income

	Unrestricted funds 2019 £	Total funds 2019 £	Total funds 2018 £
Wages and salaries	5,780	5,780	4,140
Depreciation	225	225	44
Other fundraising costs	10,130	10,130	2,349

Fundraising trading expenses

	Unrestricted funds 2019 £	Total funds 2019 £	Total funds 2018 £
Trading expenditure	3,297	3,297	12,909

Included within trading expenditure is:

	2019 (£)	2018 (£)
Wages and salaries	1,967	6,370
Depreciation	77	68
Other costs	1,253	6,471
Total	3,297	12,909

CARLISLE MENCAP LIMITED
(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 SEPTEMBER 2019**

9. Analysis of expenditure on charitable activities

Summary by fund type

	Unrestricted funds 2019 £	Restricted funds 2019 £	Total funds 2019 £	Total funds 2018 £
Charitable activities	1,885,322	1,540,563	3,425,885	3,193,738
<i>Total 2018</i>	1,599,234	1,594,504	3,193,738	

Summary by expenditure type

	Staff costs 2019 £	Depreciation 2019 £	Other costs 2019 £	Total funds 2019 £	Total funds 2018 £
Charitable activities	2,914,555	37,165	474,165	3,425,885	3,193,738
<i>Total 2018</i>	2,659,622	34,625	499,491	3,193,738	

10. Analysis of expenditure by activities

	Activities undertaken directly 2019 £	Support costs 2019 £	Total funds 2019 £	Total funds 2018 £
Charitable activities	2,925,838	500,048	3,425,886	3,193,738
<i>Total 2018</i>	2,698,537	495,201	3,193,738	

CARLISLE MENCAP LIMITED
(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 SEPTEMBER 2019**

10. Analysis of expenditure by activities (continued)

Analysis of direct costs

	Charitable activities 2019 £	Total funds 2019 £	Total funds 2018 £
Pension income	35,000	35,000	36,000
Staff costs	2,618,852	2,618,852	2,351,652
Depreciation	25,670	25,670	19,412
Administration expenses	25,914	25,914	36,670
Maintenance and cleaning	30,987	30,987	26,098
Insurance	11,081	11,081	21,674
Premises expenses	18,011	18,011	3,485
Motor and travel	34,813	34,813	30,479
Legal & professional fees	13,183	13,183	15,360
Telephone	16,388	16,388	13,107
Printing, stationery, postage & advertising	2,117	2,117	2,707
Training	4,130	4,130	3,884
IT costs	179	179	1,015
Project costs	72,203	72,203	123,773
Other expenses	15,962	15,962	13,221
(Profit)/loss on disposal of fixed assets	1,348	1,348	-
Total 2019	2,925,838	2,925,838	2,698,537

CARLISLE MENCAP LIMITED
(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 SEPTEMBER 2019**

10. Analysis of expenditure by activities (continued)

Analysis of support costs

	Charitable activities 2019 £	Total funds 2019 £	Total funds 2018 £
Staff costs	295,704	295,704	307,970
Depreciation	11,495	11,495	15,213
Administration expenses	7,541	7,541	3,302
Maintenance and cleaning	18,304	18,304	4,120
Insurance	6,187	6,187	3,194
Premises expenses	55,074	55,074	52,987
Motor and travel	17,190	17,190	16,425
Legal & professional fees	17,747	17,747	18,188
Telephone	9,535	9,535	8,075
Printing, stationery, postage & advertising	10,430	10,430	12,785
Training	15,115	15,115	12,789
IT costs	16,576	16,576	15,054
Other expenses	5,212	5,212	3,680
Auditors remuneration	10,168	10,168	15,888
Loan interest payable	3,484	3,484	1,160
Bad debts	-	-	4,371
(Profit)/loss on disposal of fixed assets	286	286	-
Total 2019	500,048	500,048	495,201

11. Auditors' remuneration

The auditors' remuneration amounts to an auditor fee of £8,650 (2018 - £8,250), and fees in relation to the preparation of statutory accounts of £2,350 (2018 - £1,750).

CARLISLE MENCAP LIMITED
(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 SEPTEMBER 2019**

12. Staff costs

	2019 £	2018 £
Wages and salaries	2,284,195	2,255,420
Social security costs	158,275	168,449
Contributions to pension schemes	479,831	246,263
	<u>2,922,301</u>	<u>2,670,132</u>

The average number of persons employed by the company during the year was as follows:

	2019 No.	2018 No.
Management and administration	11	11
Shop	2	2
Activities in furtherance of charitable objectives	130	133
	<u>143</u>	<u>146</u>

No employee received remuneration amounting to more than £60,000 in either year.

During the year, there were 3 key management personnel (2018 - 3) and remuneration totalled £137,137 (2018 - £148,112).

13. Trustees' remuneration and expenses

During the year, no Trustees received any remuneration or other benefits (2018 - £NIL).

During the year ended 30 September 2019, no Trustee expenses have been incurred (2018 - £NIL).

CARLISLE MENCAP LIMITED
(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 SEPTEMBER 2019**

14. Tangible fixed assets

	Freehold property £	Long-term leasehold property £	Motor vehicles £	Fixtures and fittings £	Total £
Cost or valuation					
At 1 October 2018	376,433	644,185	56,695	216,074	1,293,387
Additions	878	-	-	17,870	18,748
Disposals	-	-	-	(14,284)	(14,284)
At 30 September 2019	<u>377,311</u>	<u>644,185</u>	<u>56,695</u>	<u>219,660</u>	<u>1,297,851</u>
Depreciation					
At 1 October 2018	46,788	81,657	46,379	164,737	339,561
Charge for the year	7,546	12,883	2,579	14,586	37,594
On disposals	-	-	-	(12,770)	(12,770)
At 30 September 2019	<u>54,334</u>	<u>94,540</u>	<u>48,958</u>	<u>166,553</u>	<u>364,385</u>
Net book value					
At 30 September 2019	<u>322,977</u>	<u>549,645</u>	<u>7,737</u>	<u>53,107</u>	<u>933,466</u>
At 30 September 2018	<u>329,645</u>	<u>562,528</u>	<u>10,316</u>	<u>51,337</u>	<u>953,826</u>

15. Debtors

	2019 £	2018 £
Due within one year		
Trade debtors	141,601	203,721
Other debtors	1,505	3,016
Prepayments and accrued income	95,245	90,090
	<u>238,351</u>	<u>296,827</u>

CARLISLE MENCAP LIMITED
(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 SEPTEMBER 2019**

16. Creditors: Amounts falling due within one year

	2019 £	2018 £
Other loans	12,000	-
Trade creditors	29,762	83,447
Other taxation and social security	40,789	41,711
Other creditors	51,404	47,446
Accruals and deferred income	131,530	150,687
	<u>265,485</u>	<u>323,291</u>
	2019 £	2018 £
Deferred income at 1 October 2018	118,803	111,289
Resources deferred during the year	117,638	118,803
Amounts released from previous periods	(118,803)	(111,289)
	<u>117,638</u>	<u>118,803</u>

Included in the above deferred income amount are;

Christmas Party, Beamish and Panto Deposits	£340
West House - Autism Supplementary Salary	£1,916
Funding re TUPE Pension - Huntley Avenue	£57,691
Funding re TUPE Pension - Hart Street	£57,691
Total	£117,638

Other loans included in creditors due less than one year of £12,000 (2018 - £Nil) is an unsecured loan from Key fund with an interest rate of 6.5% over a five year period.

The charity also had a secured overdraft facility held in the form of a debenture including Fixed Charge over all present freehold and leasehold property; First Fixed Charge over book and other debts, chattels, goodwill and uncalled capital, both present and future; and First Floating Charge over all assets and undertaking both present and future dated 31 May 2019.

17. Creditors: Amounts falling due after more than one year

	2019 £	2018 £
Other loans	<u>37,000</u>	<u>-</u>

Other loans included in creditors due more than one year of £37,000 (2018 - £Nil) is an unsecured loan from Keyfund with an interest rate of 6.5%.

CARLISLE MENCAP LIMITED
(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 SEPTEMBER 2019**

19. Statement of funds

Statement of funds - current year

	Balance at 1 October 2018 £	Income £	Expenditure £	Transfers in/out £	Gains/ (Losses) £	Balance at 30 September 2019 £
Unrestricted funds						
General Funds - all funds	937,267	1,471,663	(1,547,754)	16,282	-	877,458
Pension reserve	(1,247,000)	-	(357,000)	-	(954,000)	(2,558,000)
	<u>(309,733)</u>	<u>1,471,663</u>	<u>(1,904,754)</u>	<u>16,282</u>	<u>(954,000)</u>	<u>(1,680,542)</u>
Restricted funds						
Carlisle Active (Northern Rock)	6,971	-	(6,971)	-	-	-
Sobell Foundation	-	9,000	(930)	-	-	8,070
Heritage Lottery Fund	12,000	-	(9,999)	-	-	2,001
Police & Crime Commissioner	6,046	1,703	(7,749)	-	-	-
The Hadfield Trust	5,000	-	(5,000)	-	-	-
Francis C Scott - Stay Safe Online	-	8,000	(4,000)	-	-	4,000
Sports Development	6,000	13,600	(12,057)	-	-	7,543
NHS - Intervention Fund	20,667	-	(20,667)	-	-	-
Big Lottery - Adult Active Sundays	15,732	62,971	(62,971)	-	-	15,732
California House equipment	-	7,989	-	(7,570)	-	419
North Cumbria Children's Short breaks and Autism	2,108	617,939	(615,188)	-	-	4,859
South Cumbria Children's Short breaks and Autism	2,107	617,939	(615,188)	-	-	4,858
California House Redevelopment	95,733	-	(95,733)	-	-	-
English Lakes	10,000	-	(491)	(8,712)	-	797
Children in Need	-	23,501	-	-	-	23,501
Cumbria Youth Alliance - Emotional Resilience	-	6,000	-	-	-	6,000
Police CC - Think Safe, Keep Safe	-	7,000	(466)	-	-	6,534
NHS Cumbria - Saturday club and playscheme	-	78,679	(75,886)	-	-	2,793
Cumbria Youth Alliance - SoKa	-	6,000	(2,970)	-	-	3,030
Other Restricted Funds (See below note 1)	3,392	3,155	(4,297)	-	-	2,250
	<u>185,756</u>	<u>1,463,476</u>	<u>(1,540,563)</u>	<u>(16,282)</u>	<u>-</u>	<u>92,387</u>
Total of funds	<u>(123,977)</u>	<u>2,935,139</u>	<u>(3,445,317)</u>	<u>-</u>	<u>(954,000)</u>	<u>(1,588,155)</u>

CARLISLE MENCAP LIMITED
(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 SEPTEMBER 2019**

18. Financial instruments

	2019 £	2018 £
Financial assets		
Financial assets measured at fair value through income and expenditure	100,513	195,661
Financial assets that are debt instruments measured at amortised cost	143,106	206,737
	<u>243,619</u>	<u>402,398</u>
	2019 £	2018 £
Financial liabilities		
Financial liabilities measured at amortised cost	(144,158)	(162,877)

Financial assets measured at fair value through income and expenditure comprise cash at bank.

Financial assets that are debt instruments measured at amortised cost comprise trade and other debtors.

Financial liabilities measured at amortised cost comprise trade creditors, other creditors and other loans.

CARLISLE MENCAP LIMITED
(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 SEPTEMBER 2019**

19. Statement of funds (continued)

Statement of funds - prior year

	Balance at 1 October 2017 £	Income £	Expenditure £	Transfers in/out £	Gains/ (Losses) £	Balance at 30 September 2018 £
Unrestricted funds						
Designated funds						
Other Designated funds	22,959	-	(22,959)	-	-	-
General funds						
General Fund	1,064,635	1,192,409	(1,321,717)	1,940	-	937,267
Pension reserve	1,444,000	153,000	(274,000)	-	318,000	(1,247,000)
	(379,365)	1,345,409	(1,595,717)	1,940	318,000	(309,733)
Total Unrestricted funds	(356,406)	1,345,409	(1,618,676)	1,940	318,000	(309,733)

CARLISLE MENCAP LIMITED
(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 SEPTEMBER 2019**

19. Statement of funds (continued)

Statement of funds - prior year (continued)

	Balance at 1 October 2017 £	Income £	Expenditure £	Transfers in/out £	Gains/ (Losses) £	Balance at 30 September 2018 £
Restricted funds						
English Lakes	-	-	10,000	-	-	10,000
Carlisle Active (Northern Rock)	13,942	-	-	(6,971)	-	6,971
Cumbria County Council - Childrens Services	17,230	-	-	(17,230)	-	-
People's Millions	1,248	-	-	(1,248)	-	-
Cumbria County Council - Community Grants Fund	586	-	-	(586)	-	-
Capita - Grace Little Fund	-	-	1,000	-	-	1,000
Heritage Lottery Fund	-	-	54,100	(42,100)	-	12,000
Cumbria County Council - Community Grant	602	-	-	(602)	-	-
Police & Crime Commissioner	-	-	8,409	(2,363)	-	6,046
The Hadfield Trust	5,000	-	-	-	-	5,000
Sellafield	9	-	-	(9)	-	-
Children in Need	-	-	22,608	(22,608)	-	-
Active Cumbria - Crossfit fund	-	-	2,392	-	-	2,392
Sports Development	3,398	-	12,114	(9,512)	-	6,000
NHS Intervention Fund	-	-	28,410	(7,743)	-	20,667
Home Office - Hate Crime Project	5,380	-	-	(5,380)	-	-
Skills for Care - Workforce development funding	-	-	5,458	(5,458)	-	-
Big Lottery - Adult Active Sundays	-	-	63,049	(47,317)	-	15,732
NHS - Saturday club and playscheme	27,703	-	76,950	(104,653)	-	-
North Cumbria Children's Short Breaks and Autism	32,208	-	628,389	(658,489)	-	2,108
South Cumbria Children's Short Breaks and Autism	32,207	-	628,388	(658,488)	-	2,107
California House Redevelopment	-	-	95,733	-	-	95,733
Percy Bilton - Grace Little IT Equipment Fund	-	-	1,940	-	(1,940)	-
A Morrison Foundation	-	-	3,747	(3,747)	-	-
	<u>139,513</u>	<u>1,642,687</u>	<u>(1,594,504)</u>	<u>(1,940)</u>	<u>-</u>	<u>185,756</u>
Total of funds		<u>(216,893)</u>	<u>2,988,096</u>	<u>(3,213,180)</u>	<u>-</u>	<u>318,000</u>
						<u>(123,977)</u>

CARLISLE MENCAP LIMITED
(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 SEPTEMBER 2019**

19. Statement of funds (continued)

English Lakes Hotels

Grant funding to provide play (a swing) and sensory equipment at Huntley Avenue Children's Home

Children in Need

Grant income provided for children's holidays.

Cumbria Youth Alliance

Funding for an emotional support programme for young people aged 14 to 25 in West Cumbria

Police CC

Funding for Independence studio film about on line abuse.

NHS Cumbria

Saturday Club and Playscheme - grants are provided to fund children's play schemes.

Cumbria Youth Alliance SoKa

Funding towards a programme for the siblings of children with Autism.

Capita

Grace Little funding towards specialist equipment at Grace Little centre.

Royal Mencap

Funding to support sex and sexuality training.

Skill for Care

Funding towards staff RQF(Regulated Quality Framework) awards.

Active Cumbria Crossfit

Grant funding for equipment and funding toward sports development for young people.

20. Summary of funds

Summary of funds - current year

	Balance at 1 October 2018 £	Income £	Expenditure £	Transfers in/out £	Gains/ (Losses) £	Balance at 30 September 2019 £
General funds	(309,733)	1,471,663	(1,904,754)	16,282	(954,000)	(1,680,542)
Restricted funds	185,756	1,463,476	(1,540,563)	(16,282)	-	92,387
	<u>(123,977)</u>	<u>2,935,139</u>	<u>(3,445,317)</u>	<u>-</u>	<u>(954,000)</u>	<u>(1,588,155)</u>

CARLISLE MENCAP LIMITED
(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 SEPTEMBER 2019**

19. Statement of funds (continued)

(1) Other Restricted Funds breakdown:

	Balance at 1 Oct 2018	Income	Expenditure	Balance at 30 Sept 2019
Capital - Grace Little	1,000	-	-	1,000
Royal Mencap	-	500	-	500
Skill for Care	-	1,905	(1,905)	-
Active Cumbria	2,392	750	(2,392)	750
Total	3,392	3,155	(4,297)	2,250

Restricted Fund Transfer

Transfers of £7,570 and £8,712 were agreed to be made from restricted funds back into general funds by the Trustees. This was due to the restriction of purchasing bound by the grant agreement being fulfilled in full during the year to 30 September 2019.

Carlisle Active

Carlisle Active has previously received funding from Northern Rock. This was to be used for projects aimed at providing leisure activities for adults with learning disabilities.

Sobell Foundation

A contribution to Doves café costs including purchase of coffee machine.

Heritage Lottery Fund

Heritage Lottery Fund provided funding for an independence studio to promote the history and heritage of learning disabilities in North Cumbria.

The Police and Crime Commissioner

The Police and Crime Commissioner and Direct Rail Services have provided funding to enable service users to produce two educational DVDs around hate crime.

The Hadfield Trust

The Hadfield Trust provided funding to refurbish a bathroom at California House. It included funding for sensory equipment at California House of £2,989, as well as a groundworks grant for outdoor equipment at California House and Grace Little Centre £4,000.

Francis C Scott

Provided funding for Independence studio film about online abuse.

Sports Development

Includes grant funding provided for sports development workers salary.

NHS Intervention Fund

NHS Intervention Fund is for the E-PATS (Early Positive Approaches to Support) programme for parents of young children with disabilities.

Big Lottery

The Big Lottery Fund has provided funding towards activities for Adult Active Sundays.

Shortbreaks

Cumbria County Council Children's Short Breaks & Autism included grant funding for residential respite, children activities in the community and support for families of children with autism.

California House redevelopment

Funds to refurbish and extend California House so as to provide extended therapeutic care.

CARLISLE MENCAP LIMITED
(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 SEPTEMBER 2019**

22. Reconciliation of net movement in funds to net cash flow from operating activities

	2019 £	2018 £
Net income for the year (as per Statement of Financial Activities)	(510,178)	(225,084)
Adjustments for:		
Depreciation charges	37,594	35,138
(Losses)/gains on investments	(1,175)	(169)
P&L costs for defined benefit pension scheme	497,000	274,000
Loss on the sale of fixed assets	1,514	-
Decrease in debtors	58,476	31,124
Increase/(decrease) in creditors	(20,806)	74,058
Interest paid	3,575	-
Net cash provided by operating activities	66,000	189,067

23. Analysis of cash and cash equivalents

	2019 £	2018 £
Cash in hand	100,513	195,661
Total cash and cash equivalents	100,513	195,661

CARLISLE MENCAP LIMITED
(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 SEPTEMBER 2019**

20. Summary of funds (continued)

Summary of funds - prior year

	Balance at 1 October 2017 £	Income £	Expenditure £	Transfers in/out £	Gains/ (Losses) £	Balance at 30 September 2018 £
Designated funds	22,959	-	(22,959)	-	-	-
General funds	(379,365)	1,345,409	(1,595,717)	1,940	318,000	(309,733)
Restricted funds	139,513	1,642,687	(1,594,504)	(1,940)	-	185,756
	<u>(216,893)</u>	<u>2,988,096</u>	<u>(3,213,180)</u>	<u>-</u>	<u>318,000</u>	<u>(123,977)</u>

21. Analysis of net assets between funds

Analysis of net assets between funds - current year

	Unrestricted funds 2019 £	Restricted funds 2019 £	Total funds 2019 £
Tangible fixed assets	719,408	214,058	933,466
Current assets	289,266	49,598	338,864
Creditors due within one year	(131,216)	(134,269)	(265,485)
Creditors due in more than one year	-	(37,000)	(37,000)
Provisions for liabilities and charges	(2,558,000)	-	(2,558,000)
Total	<u>(1,680,542)</u>	<u>92,387</u>	<u>(1,588,155)</u>

Analysis of net assets between funds - prior year

	Unrestricted funds 2018 £	Restricted funds 2018 £	Total funds 2018 £
Tangible fixed assets	734,008	219,818	953,826
Current assets	367,345	125,143	492,488
Creditors due within one year	(164,086)	(159,205)	(323,291)
Provisions for liabilities and charges	(1,247,000)	-	(1,247,000)
Total	<u>(309,733)</u>	<u>185,756</u>	<u>(123,977)</u>

CARLISLE MENCAP LIMITED
(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 SEPTEMBER 2019**

24. Pension commitments

The charitable company contributes towards the employees' personal pension schemes. Total contributions payable by the company amounted to £162,457 (2018 - £165,263). Contributions outstanding at the year end totalled £5,035 (2018 - £2,848).

As from 01 February 2017, the charitable company also contributed into the Cumbria Local Government Pension Scheme, in a multi-employer defined benefit scheme. The assets of the scheme are held separately from those of the company in an independently administered fund. The employers contributions are affected by a surplus or deficit in the scheme. The pension cost charge represents contributions payable by the company to the fund and amounted to £140,000 (2018 - £153,000).

The company operates a defined benefit pension scheme.

Principal actuarial assumptions at the Balance sheet date (expressed as weighted averages):

	At 30 September 2019 %	At 30 September 2018 %
Discount rate	1.8	2.9
Future salary increases	3.5	3.7
Future pension increases	2.1	2.3
Inflation assumption	2	2.2

	At 30 September 2019 Years	At 30 September 2018 Years
Mortality rates (in years)		
- for a male aged 65 now	23.3	23.2
- at 65 for a male aged 45 now	25.6	25.5
- for a female aged 65 now	25.9	25.8
- at 65 for a female aged 45 now	28.6	28.5

The company's share of the assets in the scheme was:

	At 30 September 2019 £	At 30 September 2018 £
Equities	2,195,000	2,036,000
Debt instruments	1,186,000	995,000
Property	252,000	381,000
Cash and other liquid assets	201,000	247,000
Other	836,000	522,000
Total fair value of assets	4,670,000	4,181,000

CARLISLE MENCAP LIMITED
(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 SEPTEMBER 2019**

24. Pension commitments (continued)

The actual return on scheme assets was £397,000 (2018 - £247,000).

The amounts recognised in the Statement of financial activities are as follows:

	2019 £	2018 £
Current service cost	213,000	234,000
Past service cost	245,000	-
Interest income	(123,000)	(105,000)
Net interest cost	158,000	141,000
Administrative expenses	4,000	4,000
Total amount recognised in the Statement of financial activities	497,000	274,000

Movements in the present value of the defined benefit obligation were as follows:

	2019 £	2018 £
Opening defined benefit obligation	5,428,000	5,264,000
Interest cost	158,000	141,000
Contributions by scheme participants	43,000	47,000
Actuarial losses/(gains)	1,228,000	(176,000)
Benefits paid	(87,000)	(82,000)
Current service cost	213,000	234,000
Past service costs	245,000	-
Closing defined benefit obligation	7,228,000	5,428,000

Movements in the fair value of the company's share of scheme assets were as follows:

	2019 £	2018 £
Opening fair value of scheme assets	4,181,000	3,820,000
Expected return on assets	123,000	105,000
Actuarial gains	274,000	142,000
Contributions by employer	140,000	153,000
Contributions by scheme participants	43,000	47,000
Benefits paid	(87,000)	(82,000)
Administrative expense	(4,000)	(4,000)
Closing fair value of scheme assets	4,670,000	4,181,000

CARLISLE MENCAP LIMITED
(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 SEPTEMBER 2019

25. Operating lease commitments

At 30 September 2019 the company had commitments to make future minimum lease payments under non-cancellable operating leases as follows:

	2019 £	2018 £
Not later than 1 year	22,495	37,779
Later than 1 year and not later than 5 years	85,635	79,058
Later than 5 years	9,297	27,890
	<u>117,427</u>	<u>144,727</u>

26. Related party transactions

During the year 3 trustees (2018 - 3) were service users of the charity. There are no other related party transactions during the year.

27. Post balance sheet events

On 11 March 2020, the World Health Organisation declared the COVID-19 Virus a pandemic, following which the Government enforced lockdown measures nationwide which brought all non-essential travel and trade to a halt.

Whilst the charity had to temporarily suspend its fundraising and trade activity during this time, it continued to provide its essential care services once protective measures were put in place.

In light of this, the Trustees have reviewed the charity's position and outlined the reasons why the going concern basis is appropriate in accounting policy 2.2 to the accounts.