

Company Registration Number 05595628
Charity number: 1115348

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CARLISLE MENCAP LIMITED

FINANCIAL STATEMENTS

30 SEPTEMBER 2018

(A company limited by guarantee)



ArmstrongWatson®
Accountants, Business & Financial Advisers

CARLISLE MENCAP LIMITED
(A company limited by guarantee)

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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 2018**

Trustees

Mrs C Bowditch, Chair
Mrs G Ternent, Treasurer
Miss E Harkness, Vice Chair
Mrs J Harland
Mrs J Nicholson (resigned 5 July 2018)
Mrs C Thompson
Mr S Bowditch
Mrs A Fletcher
Mr N Steel
Mr N Braiden
Mrs I Roberts-Green
Miss S McBean
Mrs C Bowman (appointed 5 July 2018)
Miss L Power (appointed 5 July 2018)
Mr T Baty (appointed 5 July 2018)

**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 2018

The Trustees present their annual report together with the audited financial statements of Carlisle Mencap Limited for the year 1 October 2017 to 30 September 2018. The Trustees confirm that the Annual Report and financial statements of the company comply with the current statutory requirements, the requirements of the 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 (FRS 102) (effective 1 January 2015) as amended by Update Bulletin 1 (effective 1 January 2015).

2017/18 has been a challenging year for the charity as, like many other involved in social care, our statutory funding is becoming under increased pressure. Contracts from statutory providers are being pared 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.

b. STRATEGIES FOR ACHIEVING OBJECTIVES

Strategies 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 and North Allerdale.
2. The development of new complementary services for disabled people and their families; this year we were really pleased to pilot 4 E-PATs (early positive approaches to support) programmes. This is early interventional support for parents of children under five.
3. Working in collaboration with other organisations and consortia to increase our services and reach across a wider part of the county.
4. Developing fundraising and income generation from non-statutory sources; a fundraiser is now in place to this end.
5. A review of staffing structure across the organisation to reduce expenditure.

c. ACTIVITIES FOR ACHIEVING OBJECTIVES

Notable achievements:

- The 50 years celebration went extremely well attracting a lot of media attention – highlights were a thanksgiving at the Cathedral and a visit to Grace Little Centre by HRH The Countess of Wessex.
- A very successful refurbishment and extension took place at California House at a cost of £200,000 of which £150,000 was raised in a successful fundraising campaign. The refurbishment includes two new bathrooms with a therapeutic whirlpool bath, a new kitchen and additional sensory/ IT room.
- Four of our five registered services were inspected this year all had favourable reports with California House, Grace Little Centre and Hart Street getting a good rating. Huntley Avenue achieved a well deserved outstanding rating.

CARLISLE MENCAP LIMITED
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TRUSTEES' REPORT (continued)
FOR THE YEAR ENDED 30 SEPTEMBER 2018

- The completion of the sixth 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, Penrith have settled in to the Carlisle Mencap family very well.
- We were really pleased to pilot 4 E-PaTS (early positive approaches to support) programmes. 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. Supported Living also continues to grow with an additional fourth house now being supported by the charity.
- 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 most recent one on 'Mate crime' has been nominated for a National Crime beat award.
- The Big Lottery funded Active Sundays is now in its fifth year and extremely successful.
- The Sports Development project also continues to be very popular; new work includes a project with the CrossFit gym and a walking group.

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 will be led by the CEO this involves 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.

Achievements and performance

a. REVIEW OF ACTIVITIES

During 2017/18 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.

CARLISLE MENCAP LIMITED
(A company limited by guarantee)

TRUSTEES' REPORT (continued)
FOR THE YEAR ENDED 30 SEPTEMBER 2018

Community Support Adults

We provide services for adults in the community. Services provided can be very varied - from helping someone to go shopping, through 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 six clients in their own homes.

Children's Services

We have a range of services funded in a variety of ways, some of which we have been providing for in excess of 25 years.

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 Health to provide short term non-residential care for disabled children. Activators club operates from 10am to 4pm on Saturdays and at the moment is based at Carlisle Youth Zone and the Grace Little Centre, providing a service for up to 14 children a week. The club also offers a play scheme during school holidays. The Activators club is successful and demand so high that children have to attend on a three weekly rota.

Children's Holiday Breaks

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

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 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

This is a new 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 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.

CARLISLE MENCAP LIMITED
(A company limited by guarantee)

TRUSTEES' REPORT (continued)
FOR THE YEAR ENDED 30 SEPTEMBER 2018

The Shop

We now only 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 jointly funded by Eden MENCAP to provide information and advice to service users and their families.

b. INVESTMENT POLICY AND PERFORMANCE

The organisation adopts a cautious approach to investment and funds are held in savings accounts.

Financial review

a. GOING CONCERN

Due to the acquisition of a £1.588m LGPS liability in 2017, the charity is now in an overall deficit of £123,977. The initial liability was transferred along with TUPE staff as part of the two new Cumbria County Council contracts that were taken on in the prior year.

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.

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. RESULTS FOR THE YEAR

The results for the year show an excess of expenditure over income of £225,084. Overall funds carried forward amount to a deficit of £123,977 being restricted funds of £185,756 and deficit on unrestricted funds of £309,733.

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 £1.247m. Without this liability, the total funds would have amounted to £1,123,023. Should the contract cease in the future then all staff would transfer along with any liabilities at that date.

c. 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.

CARLISLE MENCAP LIMITED
(A company limited by guarantee)

TRUSTEES' REPORT (continued)
FOR THE YEAR ENDED 30 SEPTEMBER 2018

d. 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 full time fundraiser to support income generation and prepare for our 50th anniversary into 2018 when we will be doing a major fundraising drive. The Trustees were delighted to be able to fund from current reserves our Family Advice Service, a joint project with Eden MENCAP.

Structure, governance and management

a. CONSTITUTION

The company is registered as a charitable company limited by guarantee.

The company is constituted under a Memorandum of Association and is a registered charity number 1115348.

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.

b. METHOD 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 Articles of Association.

c. 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.

d. ORGANISATIONAL STRUCTURE AND DECISION MAKING

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 Chair of the Trustees. The CEO has the day to day running of the organisation – she is supported by two operations managers and a further 9 service managers who manage the staff teams.

e. 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 our exposure to the major risks.

f. PUBLIC BENEFIT

The Trustees have considered the guidance issued by the Charity Commission in respect of public benefit and confirmed their adherence to this guidance through the activities and operations of the charity.

CARLISLE MENCAP LIMITED
(A company limited by guarantee)

TRUSTEES' REPORT (continued)
FOR THE YEAR ENDED 30 SEPTEMBER 2018

Plans for future periods

a. FUTURE DEVELOPMENTS

We will develop a new business plan which will seek to secure additional funding and look at stream lining and improving ways of working, based on a report from outside consultants, Wingspan.

INFORMATION ON FUNDRAISING PRACTICES

The charity does not use any outside fundraiser. Main fundraising activities apart for 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.

TRUSTEES' RESPONSIBILITIES STATEMENT

The Trustees (who are also directors of Carlisle 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 (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 charitable company and of the incoming resources and application of resources, including the income and expenditure, of the charitable company for that period. In preparing these financial statements, the Trustees are required to:

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charities SORP;
- make judgments and accounting estimates that are reasonable and prudent;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue in operation.

The Trustees are responsible for keeping adequate accounting records that are sufficient to show and explain the charitable company's transactions and disclose with reasonable accuracy at any time the financial position of the charitable 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 charitable company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

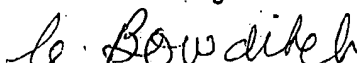
DISCLOSURE OF INFORMATION TO AUDITORS

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 charitable company'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 charitable company's auditors are aware of that information.

This report was approved by the Trustees, on 1.5.19 and signed on their behalf by:

Mrs C Bowditch
Chair



CARLISLE MENCAP LIMITED
(A company limited by guarantee)

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF CARLISLE MENCAP LIMITED

OPINION

We have audited the financial statements of Carlisle Mencap Limited (the 'charitable company') for the year ended 30 September 2018 which comprise the Statement of financial activities incorporating income and expenditure account, 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 2018 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 1.3 in the financial statements, which indicates that the acquisition of the £1.588m LGPS liability during the prior year may cast significant doubt on the charitable company's ability to continue as a going concern. As stated in note 1.3, these events or conditions, along with the other matters as set forth in the note 1.3 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.

CARLISLE MENCAP LIMITED
(A company limited by guarantee)

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF CARLISLE MENCAP LIMITED

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.

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.

CARLISLE MENCAP LIMITED
(A company limited by guarantee)

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF CARLISLE MENCAP LIMITED

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.

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 and its trustees, as a body, for our audit work, for this report, or for the opinions we have formed.

Karen A Rae

Karen A Rae FCCA
For and on behalf of
Armstrong Watson Audit Limited
Chartered Accountants
Statutory Auditors
Carlisle
Date: 13 May 2019

Armstrong Watson Audit Limited is 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 2018**

	Note	Unrestricted funds 2018 £	Restricted funds 2018 £	Total funds 2018 £	Total funds 2017 £
INCOME FROM:					
Donations and legacies	2	36,424	365,447	401,871	163,255
Charitable activities	3	1,285,656	1,277,240	2,562,896	2,299,432
Other trading activities		23,160	-	23,160	20,009
Investments	4	169	-	169	573
TOTAL INCOME		1,345,409	1,642,687	2,988,096	2,483,269
EXPENDITURE ON:					
Raising funds		19,442	-	19,442	47,300
Charitable activities		1,599,234	1,594,504	3,193,738	2,598,330
TOTAL EXPENDITURE	7	1,618,676	1,594,504	3,213,180	2,645,630
NET INCOME / (EXPENDITURE) BEFORE TRANSFERS					
Transfers between Funds	14	(273,267) 1,940	48,183 (1,940)	(225,084)	(162,361)
NET INCOME / (EXPENDITURE) BEFORE OTHER RECOGNISED GAINS AND LOSSES					
		(271,327)	46,243	(225,084)	(162,361)
Deficit acquired on defined benefit pension scheme		-	-	-	(1,588,000)
Actuarial gains on defined benefit pension schemes	18	318,000	-	318,000	253,000
NET MOVEMENT IN FUNDS		46,673	46,243	92,916	(1,497,361)
RECONCILIATION OF FUNDS:					
Total funds brought forward		(356,406)	139,513	(216,893)	1,280,468
TOTAL FUNDS CARRIED FORWARD		(309,733)	185,756	(123,977)	(216,893)

The notes on pages 15 to 34 form part of these financial statements.

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

BALANCE SHEET
AS AT 30 SEPTEMBER 2018

	Note	£	2018 £	£	2017 £
FIXED ASSETS					
Tangible assets	11		953,826		767,127
CURRENT ASSETS					
Debtors	12	296,827		327,952	
Cash at bank and in hand		195,661		381,262	
		<u>492,488</u>		<u>709,214</u>	
CREDITORS: amounts falling due within one year	13	(323,291)		(249,234)	
NET CURRENT ASSETS			<u>169,197</u>		<u>459,980</u>
TOTAL ASSETS LESS CURRENT LIABILITIES			<u>1,123,023</u>		<u>1,227,107</u>
Defined benefit pension scheme liability	18		(1,247,000)		(1,444,000)
NET LIABILITIES INCLUDING PENSION SCHEME LIABILITIES			<u>(123,977)</u>		<u>(216,893)</u>
CHARITY FUNDS					
Restricted funds	14		185,756		139,513
Unrestricted funds:					
Unrestricted funds excluding pension liability		937,267		1,087,594	
Pension reserve		<u>(1,247,000)</u>		<u>(1,444,000)</u>	
Total unrestricted funds			<u>(309,733)</u>		<u>(356,406)</u>
TOTAL DEFICIT			<u>(123,977)</u>		<u>(216,893)</u>

CARLISLE MENCAP LIMITED
(A company limited by guarantee)

BALANCE SHEET (continued)
AS AT 30 SEPTEMBER 2018

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

The Trustees consider that the company is entitled to exemption from the requirement to have an audit under the provisions of section 477 of the Companies Act 2006 ("the Act") and members have not required the company to obtain an audit for the year in question in accordance with section 476 of the Act. 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 the preparation of financial statements.

The financial statements were approved and authorised for issue by the Trustees on 1.8.19 and signed on their behalf, by:

C. Bowditch

Mrs C Bowditch, Chair

The notes on pages 15 to 34 form part of these financial statements.

CARLISLE MENCAP LIMITED
(A company limited by guarantee)

STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 30 SEPTEMBER 2018

	Note	2018 £	2017 £
Cash flows from operating activities			
Net cash provided by operating activities	16	189,067	273,152
Cash flows from investing activities:			
Dividends, interest and rents from investments		169	(572)
Purchase of tangible fixed assets		(221,837)	(17,939)
Total benefits paid in defined benefit pension scheme		(153,000)	(114,000)
Net cash used in investing activities		(374,668)	(132,511)
Change in cash and cash equivalents in the year		(185,601)	140,641
Cash and cash equivalents brought forward		381,262	240,621
Cash and cash equivalents carried forward	17	195,661	381,262

The notes on pages 15 to 34 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 2018**

1. ACCOUNTING POLICIES

1.1 Basis of preparation of financial statements

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.

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.

1.2 Company status

The company is a company limited by guarantee. The members of the company are the Trustees named on page 1. In the event of the company being wound up, the liability in respect of the guarantee is limited to £1 per member of the company.

1.3 Going concern

At the balance sheet date the net assets of the charity were £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.

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 £1.25m. Without this liability, the total funds would have amounted to £1,123k. Should the contract cease in the future then all staff would transfer along with any liabilities at that date.

1.4 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.

For legacies, entitlement is taken as the earlier of the date on which either: the company is aware that probate has been granted, the estate has been finalised and notification has been made by the executor(s) to the Trust 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 company has been notified of the executor's intention to make a distribution. Where legacies have been notified to the company, or the company 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.

Donated services or facilities are recognised when the company has control over the item, any conditions associated with the donated item have been met, the receipt of economic benefit from the use of the company of the item is probable and that economic benefit can be measured reliably. In accordance with the Charities SORP (FRS 102), the general volunteer time of the Friends is not recognised and refer to the Trustees' report for more information about their contribution.

On receipt, donated professional services and donated facilities are recognised on the basis of the value of the gift to the company which is the amount the company 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.

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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 SEPTEMBER 2018**

1. ACCOUNTING POLICIES (continued)

1.5 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.

Fundraising costs are those incurred in seeking voluntary contributions and do not include the costs of disseminating information in support of the charitable activities. Support costs are those costs incurred directly in support of expenditure on the objects of the company.

Costs of generating funds are costs incurred in attracting voluntary income, and those incurred in trading activities that raise funds.

Charitable activities and Governance costs are costs incurred on the company's educational operations, including support costs and costs relating to the governance of the company apportioned to charitable activities.

All expenditure is inclusive of irrecoverable VAT.

1.6 Tangible fixed assets and depreciation

A review for impairment of a fixed asset is carried out if events or changes in circumstances indicate that the carrying value of any fixed asset may not be recoverable. Shortfalls between the carrying value of fixed assets and their recoverable amounts are recognised as impairments. Impairment losses are recognised in the Statement of financial activities incorporating income and expenditure account.

Tangible fixed assets are carried at cost, net of depreciation and any provision for impairment. Depreciation is provided at rates calculated to write off the cost of fixed assets, less their estimated residual value, over their expected useful lives 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

1.7 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 Bank.

1.8 Operating leases

Rentals under operating leases are charged to the Statement of financial activities incorporating income and expenditure account on a straight line basis over the lease term.

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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 SEPTEMBER 2018**

1. ACCOUNTING POLICIES (continued)

1.9 Debtors

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

1.10 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.

1.11 Liabilities and provisions

Liabilities 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 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 within interest payable and similar charges.

1.12 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.

1.13 Pensions

The company operates a defined benefits pension scheme and the pension charge is based on a full actuarial valuation dated 30 September 2018.

The company contributes towards the individual personal pension schemes for employees. The annual contributions payable are charged to the Statement of Financial Activities.

1.14 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.

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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 SEPTEMBER 2018**

2. INCOME FROM DONATIONS AND LEGACIES

	Unrestricted funds 2018 £	Restricted funds 2018 £	Total funds 2018 £	Total funds 2017 £
Donations	36,424	1,000	37,424	23,233
Grants	-	364,447	364,447	140,022
Total donations and legacies	36,424	365,447	401,871	163,255
Total 2017	23,562	139,693	163,255	

3. INCOME FROM CHARITABLE ACTIVITIES

	Unrestricted funds 2018 £	Restricted funds 2018 £	Total funds 2018 £	Total funds 2017 £
Charitable activities	1,285,656	1,277,240	2,562,896	2,299,432
Total 2017	1,390,099	909,333	2,299,432	

4. INVESTMENT INCOME

	Unrestricted funds 2018 £	Restricted funds 2018 £	Total funds 2018 £	Total funds 2017 £
Interest receivable	169	-	169	573
Total 2017	573	-	573	

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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 SEPTEMBER 2018**

5. DIRECT COSTS

	Shop costs £	Charitable activities £	Total 2018 £	Total 2017 £
Actuarial pension interest & administration costs	-	36,000	36,000	29,000
Administration expenses	-	36,670	36,670	8,942
Maintenance and cleaning	-	26,098	26,098	26,830
Insurance	-	21,674	21,674	10,783
Premises expenses	-	3,485	3,485	36,704
Motor and travel	-	30,479	30,479	25,010
Legal & professional fees	-	15,360	15,360	2,936
Telephone	-	13,107	13,107	2,495
Printing, stationery, postage & advertising	-	2,707	2,707	1,401
Training	-	3,884	3,884	4,320
IT costs	-	1,015	1,015	1,599
Project costs	-	123,773	123,773	136,203
Other expenses	-	13,221	13,221	15,507
Loss on disposal of fixed assets	-	-	-	303
Wages and salaries	-	1,936,940	1,936,940	1,550,711
National insurance	-	168,449	168,449	127,950
Pension cost	-	246,263	246,263	195,721
Depreciation	-	19,412	19,412	17,739
	-	2,698,537	2,698,537	2,194,154
Total 2017	39,392	2,154,762	2,194,154	

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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 SEPTEMBER 2018**

6. SUPPORT COSTS

	Costs of generating voluntary income £	Shop costs £	Charitable activities £	Total 2018 £	Total 2017 £
Administration expenses	44	68	3,302	3,414	4,110
Maintenance and cleaning	56	85	4,120	4,261	4,641
Insurance	43	66	3,194	3,303	4,321
Premises expenses	712	1,096	52,987	54,795	22,259
Motor and travel	221	340	16,425	16,986	13,958
Legal & professional fees	245	376	18,188	18,809	33,601
Telephone	109	167	8,075	8,351	22,188
Printing, stationery, postage & advertising	172	264	12,785	13,221	10,902
Training	172	264	12,789	13,225	14,016
IT costs	202	311	15,054	15,567	13,333
Other expenses	50	76	3,680	3,806	4,314
Auditors remuneration	146	224	15,888	16,258	8,750
Loan interest	18	24	1,160	1,200	-
Irrecoverable debts	-	-	4,371	4,371	-
Wages and salaries	4,140	6,370	307,970	318,480	275,893
Depreciation	205	315	15,213	15,733	19,190
	<u>6,533</u>	<u>10,046</u>	<u>495,201</u>	<u>511,780</u>	<u>451,476</u>
<i>Total 2017</i>	<u>2,805</u>	<u>5,103</u>	<u>443,568</u>	<u>451,476</u>	

7. ANALYSIS OF EXPENDITURE BY EXPENDITURE TYPE

	Staff costs 2018 £	Depreciation 2018 £	Other costs 2018 £	Total 2018 £	Total 2017 £
Expenditure on raising voluntary income	4,140	44	2,349	6,533	2,805
Expenditure on fundraising trading	6,370	68	6,471	12,909	28,925
Costs of raising funds	<u>10,510</u>	<u>112</u>	<u>8,820</u>	<u>19,442</u>	<u>31,730</u>
Charitable activities	2,659,622	34,625	499,491	3,193,738	2,598,330
	<u>2,670,132</u>	<u>34,737</u>	<u>508,311</u>	<u>3,213,180</u>	<u>2,630,060</u>
<i>Total 2017</i>	<u>2,150,275</u>	<u>36,929</u>	<u>442,856</u>	<u>2,630,060</u>	

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NOTES TO THE FINANCIAL STATEMENTS
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8. NET INCOME/(EXPENDITURE)

This is stated after charging:

	2018	2017
	£	£
Depreciation of tangible fixed assets:		
- owned by the charity	35,138	36,929

During the year, no Trustees received any remuneration (2017 - £NIL).

During the year, no Trustees received any benefits in kind (2017 - £NIL).

During the year, no Trustees received any reimbursement of expenses (2017 - £NIL).

9. AUDITORS' REMUNERATION

The auditors' remuneration amounts to an audit fee of £8,250 (2017 - £8,750). Fees in relation to the preparation of the statutory accounts amount to £1,750 (2017 - £1,750) and are included in legal and professional fees.

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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 SEPTEMBER 2018**

10. STAFF COSTS

Staff costs were as follows:

	2018 £	2017 £
Wages and salaries	2,255,420	1,826,604
Social security costs	168,449	127,950
Other pension costs (Note 18)	248,263	195,721
	<u>2,670,132</u>	<u>2,150,275</u>

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

	2018 No.	2017 No.
Management and administration	11	11
Shop	2	2
Activities in furtherance of charitable objectives	133	113
	<u>146</u>	<u>126</u>

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

During the year, there were 3 key management personnel (2017 - 3) and remuneration totalled £148,112 (2017 - £124,640).

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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 SEPTEMBER 2018**

11. TANGIBLE FIXED ASSETS

	Freehold property £	Leasehold property £	Motor vehicles £	Fixtures, fittings and equipment £	Total £
Cost					
At 1 October 2017	167,101	644,185	56,695	203,569	1,071,550
Additions	209,332	-	-	12,505	221,837
At 30 September 2018	376,433	644,185	56,695	216,074	1,293,387
Depreciation					
At 1 October 2017	43,446	68,773	42,939	149,265	304,423
Charge for the year	3,342	12,884	3,440	15,472	35,138
At 30 September 2018	46,788	81,657	46,379	164,737	339,561
Net book value					
At 30 September 2018	329,645	562,528	10,316	51,337	953,826
At 30 September 2017	123,655	575,412	13,756	54,304	767,127

12. DEBTORS

	2018 £	2017 £
Trade debtors	203,721	221,498
Other debtors	3,016	-
Prepayments and accrued income	90,090	106,454
	296,827	327,952

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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 SEPTEMBER 2018**

13. CREDITORS: Amounts falling due within one year

	2018 £	2017 £
Trade creditors	83,447	23,695
Other taxation and social security	41,711	50,278
Other creditors	47,447	46,593
Accruals and deferred income	150,686	128,668
	<u>323,291</u>	<u>249,234</u>
		£
Deferred income		
Deferred income at 1 October 2017		111,289
Resources deferred during the year		118,803
Amounts released from previous years		<u>(111,289)</u>
Deferred income at 30 September 2018		<u>118,803</u>

14. STATEMENT OF FUNDS

STATEMENT OF FUNDS - CURRENT YEAR

	Balance at 1 October 2017 £	Income £	Expenditure £	Transfers in/out £	Gains/ (Losses) £	Balance at 30 September 2018 £
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)
	<u>(379,365)</u>	<u>1,345,409</u>	<u>(1,595,717)</u>	<u>1,940</u>	<u>318,000</u>	<u>(309,733)</u>
Total Unrestricted funds	<u>(356,406)</u>	<u>1,345,409</u>	<u>(1,618,676)</u>	<u>1,940</u>	<u>318,000</u>	<u>(309,733)</u>

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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 SEPTEMBER 2018**

14. STATEMENT OF FUNDS (continued)

Restricted funds

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)	-	-	-
Skill 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)	-	-	-
English Lakes	-	10,000	-	-	-	10,000
	139,513	1,642,687	(1,594,504)	(1,940)	-	185,756
Total of funds	(216,893)	2,988,096	(3,213,180)	-	318,000	(123,977)

During 2017 the Trustees designated £22,959 of general funds for the California House development. These monies were utilised during the year.

A Morrison- specialist equipment for Grace Little centre – towards the costs on an Acheeva bed

Percy Bilton - specialist equipment for Grace Little centre

Home office – funds for the Independence Studio to make an educational film about hate crime.

California House redevelopment – funds to refurbish and extend California House so as to provide

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 SEPTEMBER 2018

14. STATEMENT OF FUNDS (continued)

extended therapeutic care.

English Lakes Hotels – funds to provide play- (a swing) and sensory equipment at Huntley Avenue Children's Home.

Active Cumbria Crossfit- equipment and funding toward sports development for young people.

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.

Cumbria County Council Children's Services have agreed to fund various items in relation to the Grace Little Centre, including the purchase of a new minibus.

People's Millions is Big Lottery Funding for the Independence Studio – a film making studio for adults with disabilities.

Cumbria County Council Community Grants are provided to fund children's play schemes.

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

BBC Children in Need have provided funding for five weekends away for forty two young people.

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 balance of the grant was received in October 2015.

The Mayor's charity provided funding for a family support worker.

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

Cumbria County Council - Community Grant provided funding for IT equipment at California House.

Police & Crime Commissioner provided funding to provide a sexual assault and abuse DVD by the Independence Studio.

The Hadfield Trust provided funding to refurbish a bathroom at California House.

Sellafield provided funding to support families with autistic children in West Cumbria.

Children in Need provided funding towards residential breaks for children and young people who have physical and learning disabilities in Carlisle.

Finn Family Fund has provided funding for the Go Getters club in Wigton.

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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 SEPTEMBER 2018**

14. STATEMENT OF FUNDS (continued)

STATEMENT OF FUNDS - PRIOR YEAR

	<i>Balance at 1 October 2016 £</i>	<i>Income £</i>	<i>Expenditure £</i>	<i>Transfers in/out £</i>	<i>Gains/ (Losses) £</i>	<i>Balance at 30 September 2017 £</i>
Designated funds						
California House development	-	-	-	22,959	-	22,959
General funds						
General Fund	1,190,023	1,434,243	(1,536,672)	(22,959)	-	1,064,635
Pension reserve	-	-	(109,000)	-	(1,335,000)	(1,444,000)
	<u>1,190,023</u>	<u>1,434,243</u>	<u>(1,645,672)</u>	<u>(22,959)</u>	<u>(1,335,000)</u>	<u>(379,365)</u>
Total Unrestricted funds	<u>1,190,023</u>	<u>1,434,243</u>	<u>(1,645,672)</u>	<u>-</u>	<u>(1,335,000)</u>	<u>(356,406)</u>

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**NOTES TO THE FINANCIAL STATEMENTS
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14. STATEMENT OF FUNDS (continued)

Restricted funds

Carlisle Active (Northern Rock)	20,912	-	(6,970)	-	-	13,942
Cumbria County Council - Childrens Services	21,104	71	(3,945)	-	-	17,230
People's Millions	1,248	-	-	-	-	1,248
Cumbria County Council - Community Grants Fund	586	-	-	-	-	586
BBC Children in Need	7	-	(7)	-	-	-
Heritage Lottery Fund	13,699	721	(14,420)	-	-	-
Cumbria County Council - Community Grant	839	-	(237)	-	-	602
Police & Crime Commissioner	3,335	-	(3,335)	-	-	-
The Hadfield Trust	5,000	-	-	-	-	5,000
Sellafield	9	-	-	-	-	9
Children in Need	20,706	-	(20,706)	-	-	-
Finn Family Fund	3,000	-	(3,000)	-	-	-
Sports Development	-	10,054	(6,656)	-	-	3,398
NHS - Don't Miss Out	-	1,000	(1,000)	-	-	-
Home Office - Hate Crime Project	-	27,688	(22,308)	-	-	5,380
Direct Rail - Football Grant	-	1,001	(1,001)	-	-	-
Big lottery - Adult Active Sundays	-	61,157	(61,157)	-	-	-
NHS - Saturday club and playscheme	-	38,000	(10,297)	-	-	27,703
North Cumbria children's short breaks and autism	-	454,667	(422,459)	-	-	32,208
South Cumbria children's short breaks and autism	-	454,667	(422,480)	-	-	32,207
	<u>90,445</u>	<u>1,049,026</u>	<u>(999,958)</u>	<u>-</u>	<u>-</u>	<u>139,513</u>
Total of funds	<u>1,280,468</u>	<u>2,483,269</u>	<u>(2,645,630)</u>	<u>-</u>	<u>(1,335,000)</u>	<u>(216,893)</u>

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**NOTES TO THE FINANCIAL STATEMENTS
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SUMMARY OF FUNDS - CURRENT 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)
	(356,406)	1,345,409	(1,618,676)	1,940	318,000	(309,733)
Restricted funds	139,513	1,642,687	(1,594,504)	(1,940)	-	185,756
	(216,893)	2,988,096	(3,213,180)	-	318,000	(123,977)

SUMMARY OF FUNDS - PRIOR YEAR

	Balance at 1 October 2016 £	Income £	Expenditure £	Transfers in/out £	Gains/ (Losses) £	Balance at 30 September 2017 £
Designated funds	-	-	-	22,959	-	22,959
General funds	1,190,023	1,434,243	(1,645,672)	(22,959)	(1,335,000)	(379,365)
	1,190,023	1,434,243	(1,645,672)	-	(1,335,000)	(356,406)
Restricted funds	90,445	1,049,026	(999,958)	-	-	139,513
	1,280,468	2,483,269	(2,645,630)	-	(1,335,000)	(216,893)

15. ANALYSIS OF NET ASSETS BETWEEN FUNDS

ANALYSIS OF NET ASSETS BETWEEN FUNDS - CURRENT YEAR

	Unrestricted funds 2018 £	Restricted funds 2018 £	Total funds 2018 £
Tangible fixed assets	734,008	219,818	953,826
Current assets	367,346	125,143	492,489
Creditors due within one year	(164,087)	(159,205)	(323,292)
Defined Benefit Pension Scheme Liability	(1,247,000)	-	(1,247,000)
	(309,733)	185,756	(123,977)

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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 SEPTEMBER 2018**

15. ANALYSIS OF NET ASSETS BETWEEN FUNDS (continued)

ANALYSIS OF NET ASSETS BETWEEN FUNDS - PRIOR YEAR

	<i>Unrestricted funds 2017 £</i>	<i>Restricted funds 2017 £</i>	<i>Total funds 2017 £</i>
Tangible fixed assets	754,581	12,546	767,127
Current assets	374,246	334,967	709,213
Creditors due within one year	(41,233)	(208,000)	(249,233)
Provisions for liabilities and charges	(1,444,000)	-	(1,444,000)
	<u>(356,406)</u>	<u>139,513</u>	<u>(216,893)</u>

16. RECONCILIATION OF NET MOVEMENT IN FUNDS TO NET CASH FLOW FROM OPERATING ACTIVITIES

	2018 £	2017 £
Net expenditure for the year (as per Statement of Financial Activities)	(225,084)	(162,361)
Adjustment for:		
Depreciation charges	35,138	36,930
(Losses)/gains on investments	(169)	573
P&L costs for defined benefit pension scheme	274,000	223,000
Loss on the sale of fixed assets	-	303
Decrease in debtors	31,124	32,610
Increase in creditors	74,058	142,097
Net cash provided by operating activities	<u>189,067</u>	<u>273,152</u>

17. ANALYSIS OF CASH AND CASH EQUIVALENTS

	2018 £	2017 £
Cash in hand	195,661	381,262
Total	<u>195,661</u>	<u>381,262</u>

CARLISLE MENCAP LIMITED
(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 SEPTEMBER 2018**

18. PENSION COMMITMENTS

The charitable company contributes towards the employees' personal pension schemes. Total contributions payable by the company amounted to £165,263 (2017 - £119,721). Contributions outstanding at the year end totalled £2,848 (2017 - £1,593).

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 £153,000 (2017 - £113,158).

The charity operates a Defined benefit pension scheme.

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

	2018	2017
Discount rate at 30 September	2.90 %	2.70 %
Expected return on scheme assets at 30 September	2.20 %	2.20 %
Future salary increases	3.70 %	3.70 %
Future pension increases	2.30 %	2.20 %
Life expectancy of a male (female):		
	2018	2017
Future pensioner age 65 in 20 years time	25.5 (28.5) years	25.4 (28.4) years
Current pensioner age 65	23.2 (25.8) years	23.1 (25.7) years

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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 SEPTEMBER 2018**

18. PENSION COMMITMENTS (continued)

The assets in the scheme and the expected rates of return were:

	Fair value at 30 September 2018 £
Equities	2,036,000
Debt instruments	995,000
Property	381,000
Cash/liquidity	247,000
Other	522,000
Total market value of assets	4,181,000

The actual return on scheme assets was £105,000 (2017 - £69,000).

The amounts recognised in the Statement of financial activities incorporating income and expenditure account are as follows:

	2018 £	2017 £
Net interest cost	(36,000)	(29,000)
Current service cost	(234,000)	(76,000)
Administration costs	(4,000)	(4,000)
Total	(274,000)	(109,000)

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

	2018 £	As restated 2017 £
Opening defined benefit obligation	5,264,000	-
Interest cost	141,000	98,000
Actuarial gains	(176,000)	(105,000)
Current service costs	234,000	190,000
Upon conversion	-	5,047,000
Member contributions	47,000	34,000
Benefits paid	(82,000)	-
Closing defined benefit obligation	5,428,000	5,264,000

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**NOTES TO THE FINANCIAL STATEMENTS
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18. PENSION COMMITMENTS (continued)

Changes in the fair value of scheme assets were as follows:

	2018 £	As restated 2017 £
Opening fair value of scheme assets	3,820,000	-
Upon conversion	-	3,459,000
Interest income	105,000	69,000
Actuarial gains and (losses)	142,000	148,000
Administration expenses	(4,000)	(4,000)
Contributions by employer	153,000	114,000
Member contributions	47,000	34,000
Benefits paid	(82,000)	-
	<u>4,181,000</u>	<u>3,820,000</u>

The cumulative amount of actuarial gains and losses recognised in the Statement of total recognised gains and losses was £NIL (2017 - £NIL).

The charity expects to contribute £147,000 to its Defined benefit pension scheme in 2018. The charity will receive £62,000 grant funding from Cumbria County Council to go toward these costs.

The major categories of scheme assets as a percentage of total scheme assets are as follows:

	2018	2017
European equities	48.70 %	48.90 %
Cash	5.90 %	6.00 %
European bonds	17.50 %	17.70 %
North American bonds	6.30 %	6.30 %
Property	9.10 %	9.40 %
Other	12.50 %	11.70 %

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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 SEPTEMBER 2018**

18. PENSION COMMITMENTS (continued)

Amounts for the current period are as follows:

Defined benefit pension schemes

	2018 £
Defined benefit obligation	(5,428,000)
Scheme assets	4,181,000
Deficit	(1,247,000)
Experience adjustments on scheme liabilities	176,000
Experience adjustments on scheme assets	142,000

19. OPERATING LEASE COMMITMENTS

At 30 September 2018 the total of the Charity's future minimum lease payments under non-cancellable operating leases was:

	2018 £	2017 £
Amounts payable:		
Within 1 year	37,779	35,808
Between 1 and 5 years	79,058	95,613
After more than 5 years	27,890	46,484
Total	144,727	177,905

20. RELATED PARTY TRANSACTIONS

During the year 3 trustees (2017 - 2) were service users of the charity. There were no other related party transactions during the year.