

Company Number: 05976118
Charity Number: 1118287

READING MENCAP

(A company limited by guarantee)

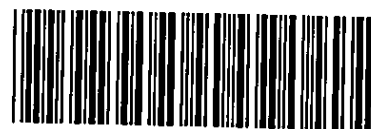
REPORT OF THE TRUSTEES AND FINANCIAL STATEMENTS

For the year ended 31 March 2009

TARGET CONSULTING LIMITED

**Registered Auditors
Chartered Accountants
6th Floor, Reading Bridge House
Reading Bridge
Reading
RG1 8LS**

WEDNESDAY



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COMPANIES HOUSE

READING MENCAP

FINANCIAL STATEMENTS

For the year ended 31 March 2009

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LEGAL AND ADMINISTRATIVE INFORMATION

For the year ended 31 March 2009

STATUS

The charitable company was established under memorandum and articles of association incorporated 24 October 2006.

Registered as a charity 08 March 2007.

CHARITY NUMBER: 1118287

COMPANY NUMBER: 05976118 (England and Wales)

**REGISTERED OFFICE and
PRINCIPAL OFFICE:** 21 Alexandra Road
Reading
Berkshire
RG1 5PE

| | | | |
|------------------------------------|-------------|-----------|------------------|
| TRUSTEES and DIRECTORS: | K. Apps | Appointed | 16 June 2008 |
| | P. Buckle | | |
| | D. Card | | |
| | C. Cassidy | Appointed | 16 June 2008 |
| | C. Cross | Resigned | 13 November 2008 |
| | A. Jones | | |
| | K. Shephard | | |
| | J. Stent | Resigned | 13 November 2008 |
| | B. Takyar | Resigned | 17 July 2008 |
| | K. Wright | | |
| H. Young | | | |

The trustees/directors of the charitable company guarantee to contribute an amount not exceeding £1 to the assets of the charitable company in the event of winding up. At the Balance Sheet date there were eleven trustees each guaranteeing to contribute £1.

REPORTING ACCOUNTANTS: Target Consulting Limited
Chartered Accountants
6th Floor, Reading Bridge House
Reading Bridge
Reading
RG1 8LS

BANKERS: Lloyds TSB Bank
1-2 Market Place
Broad Street
Reading
Berks.
RG1 2EQ

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REPORT OF THE TRUSTEES

For the year ended 31 March 2009

The trustees present their report along with the financial statements of the charitable company for the year ended 31 March 2009, as required under Part VI of the Charities Act 1993. This report is also the Directors' Report required by section 234 of the Companies Act 1985.

MISSION STATEMENT

Reading Mencap as a local charity aims to provide help and support for local people with a learning disability, together with help and support for their families and carers.

ORGANISATION

From 1 April 2007 Reading Mencap became an incorporated company.

Reading Mencap continues to be affiliated to the Royal Society of Mentally Handicapped Children and Adults.

AIMS AND PUBLIC BENEFIT

The relief of members of the public with a learning difficulty, in particular by:

- the provision of help and support for them and for their families, dependants and carers;
- to provide or assist in the provision of facilities for the recreation or other leisure time occupation for people who have need thereof by reason of learning disability, with the object of improving their conditions of life.

PERFORMANCE 2008/2009

Aims and public benefit

- 1 We have continued to run our weekly clubs (Monday, Tuesday, Friday, Saturday, and Bubbles Clubs) as well as our annual holiday clubs at Easter and Summer. These clubs provide recreational facilities for people with Learning Disabilities from babies through to adults.
- 2 We continue to have an active Welfare Team of two members, offering home visits, advice and support to parents and carers. We also continue our active Siblings Group.

Other Objectives

- 1 We have maintained our financial reserves level throughout the year
- 2 In spite of lack of grants towards the 21 Steps Club we had managed to continue to run this Club successfully to the end of December. With no further future funding likely we have however now had to close this Club.
- 3 Various fund raising initiatives have taken place during the year, including attending the Reading Mayor's market and holding our annual raffle. Tin shakes have been re-instigated, and proved very successful. We are now signed up with "Just Giving" to make it easier to donate sponsorship money.
- 4 We continue to seek best value from all our suppliers. Broadband and telephone costs have been reduced during the year.

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REPORT OF THE TRUSTEES *For the year ended 31 March 2009 (Cont/d)*

OBJECTIVES FOR 2009/2010

- 1 To remain adequately financed and resourced to continue to provide help and support to our members, by way of clubs, information and support from our welfare team.
- 2 To improve the state of the Children's outdoor play equipment.
- 3 Continue to offer a range of clubs/activities to our members.
- 4 To maintain the financial position of the company during the current "Credit Crunch" climate (where, for instance, donations/grants may be less likely) - and to look to continue to improve the financial position as the general financial environment improves.

RISK MANAGEMENT

The trustees have assessed the risks facing the charitable company and have put systems in place to mitigate these risks.

RESERVES POLICY

The Trustees consider it prudent that unrestricted reserves should be sufficient to avoid the necessity of realising fixed assets held for the charitable company's use and to cover between three and six months of resources expended. These net current assets currently stand at around £48,185, which falls within the stated range.

TRUSTEES' RESPONSIBILITIES IN RELATION TO THE FINANCIAL STATEMENTS

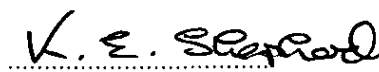
Company law requires the trustees to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the trust as at the balance sheet date and of its incoming resources and applications of resources, including income and expenditure, for the financial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

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

The trustees are responsible for maintaining proper accounting records which disclose with reasonable accuracy at any time the financial position of the charitable company and to enable them to ensure that the financial statements comply with the Companies Act 1985. The trustees are also responsible for safeguarding the assets of the charitable company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

This report has been prepared in accordance with the special provisions of Part VII of the Companies Act 1985 relating to small entities and with the Statement of Recommended Practice - Accounting and Reporting by Charities (SORP) 2005.

Approved by the Board of Trustees on 22 June 2009 and signed on their behalf by:-

 12/6/09

Keith Shephard (Treasurer)

**ACCOUNTANTS' REPORT TO THE MEMBERS
ON THE UNAUDITED FINANCIAL STATEMENTS OF**

READING MENCAP

We report on the financial statements for the year ended 31 March 2009 set out on pages 5 to 12.

This report is made solely to the charitable company's trustees, as a body, in accordance with Section 43 Charities Act 1993. Our 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 this report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charitable company and the charitable company's members as a body, for our work or for this report, or for the opinions we have formed.

RESPECTIVE RESPONSIBILITIES OF THE trustees AND REPORTING ACCOUNTANTS

As described on page 3, the trustees are responsible for the preparation of the financial statements and they consider that the charitable company is exempt from an audit. It is our responsibility to carry out procedures designed to enable us to report our opinion.

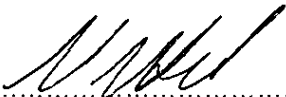
BASIS OF OPINION

Our work was conducted in accordance with the Statements of Standards for Reporting Accountants, and so our procedures consisted of comparing the financial statements with the accounting records kept by the charitable company, and making such limited enquiries of the trustees of the charitable company as we considered necessary for the purpose of this report. These procedures provided only the assurance expressed in our opinion.

OPINION

In our opinion:

- a) the financial statements are in agreement with the accounting records kept by the charitable company under section 221 of the Companies Act 1985; and
 - (i) the financial statements have been drawn up in a manner consistent with the accounting requirements specified in section 249C(6) of the Act; and
 - (ii) the charitable company satisfied the conditions for exemption from an audit of the financial statements for the period specified in Section 249A(4) of the Act, as modified by Section 249A(5) and did not, at any time during the period, fall within any of the categories of companies not entitled to the exemptions specified in Section 249B(1).



Michael McAllister
Target Consulting Limited
Independent Examiner

6th Floor, Reading Bridge House
Reading Bridge
RG1 8LS

Dated: 16-07-2009

READING MENCAP

STATEMENT OF FINANCIAL ACTIVITIES (incorporating the Income and Expenditure Account)

For the year ended 31 March 2009

| | Notes | Restricted Funds £ | Unrestricted Funds £ | Designated Funds £ | Total Funds 2009 £ | Total Funds 2008 £ |
|--|-------|--------------------------|----------------------------|--------------------------|-----------------------------|-----------------------------|
| INCOMING RESOURCES | | | | | | |
| <i>Incoming resources from generated funds</i> | | | | | | |
| Donations | | - | 5,476 | - | 5,476 | 39,315 |
| Activities for generating funds | 3 | - | 4,970 | - | 4,970 | 3,363 |
| Bank interest | | - | 1,046 | - | 1,046 | 2,022 |
| <i>Incoming resources from charitable activities</i> | | | | | | |
| | 2 | 1,373 | 107,054 | - | 108,427 | 108,834 |
| Total Incoming Resources | | <u>1,373</u> | <u>118,546</u> | <u>-</u> | <u>119,919</u> | <u>153,534</u> |
| RESOURCES EXPENDED | | | | | | |
| <i>Costs of generating funds</i> | | | | | | |
| | | - | 1,070 | - | 1,070 | 248 |
| <i>Charitable expenditure:-</i> | | | | | | |
| Direct costs | 4 | 23,175 | 109,608 | - | 132,783 | 149,879 |
| Governance costs | 4 | - | 1,645 | - | 1,645 | 1,807 |
| Total Resources Expended | | <u>23,175</u> | <u>112,323</u> | <u>-</u> | <u>135,498</u> | <u>151,934</u> |
| Net movement in funds for the period | | (21,802) | 6,223 | - | (15,579) | 1,600 |
| Transfer between funds | | 19,040 | (19,040) | - | - | - |
| Total funds brought forward | | <u>11,047</u> | <u>91,342</u> | <u>1,770</u> | <u>104,159</u> | <u>102,559</u> |
| Total funds carried forward | | <u>8,285</u> | <u>78,525</u> | <u>1,770</u> | <u>88,580</u> | <u>104,159</u> |

The notes on pages 7 to 12 form part of these financial statements.

READING MENCAP

BALANCE SHEET AT 31 MARCH 2009

| | Notes | 2009 £ | 2008 £ |
|--|-------|-----------------|-----------------|
| FIXED ASSETS | | | |
| Tangible assets | 6 | 90,395 | 96,553 |
| CURRENT ASSETS | | | |
| Debtors | 7 | 4,646 | 5,880 |
| Cash at bank and in hand | | 53,391 | 55,787 |
| | | <u>58,037</u> | <u>61,667</u> |
| CREDITORS: | | | |
| Amounts falling due within one year | 8 | <u>(9,852)</u> | <u>(4,061)</u> |
| NET CURRENT ASSETS | | 48,185 | 57,606 |
| Total Assets less Current Liabilities | | 138,580 | 154,159 |
| CREDITORS: | | | |
| Amounts falling due after more than one year | 9 | <u>(50,000)</u> | <u>(50,000)</u> |
| NET ASSETS | | <u>88,580</u> | <u>104,159</u> |
| REPRESENTED BY: | | | |
| FUNDS | | | |
| Unrestricted | | 80,295 | 93,112 |
| Restricted | | 8,285 | 11,047 |
| TOTAL FUNDS | 10 | <u>88,580</u> | <u>104,159</u> |

For the financial period ended 31 March 2009, the charitable company is entitled to exemption from the requirement to have an audit under the provisions of section 249A(1) of the Companies Act 1985 and no notice has been deposited with the charitable company under section 249B(2) of that Act requiring an audit to be carried out.

The trustees acknowledge their responsibilities for:-

(i) ensuring the charitable company keeps accounting records which comply with section 221 of the Companies Act 1985; and

(i) preparing financial statements which give a true and fair view of the state of affairs of the charitable company at the end of the financial period and of its incoming resources and applications of resources for that period, in accordance with the requirements of section 226 of the Companies Act 1985, and which otherwise comply with the requirements of that Act relating to accounts so far as they are applicable to the charitable company.

For and on behalf of the board of trustees

K. E. Shepherd 13/7/09

The notes on pages 7 to 12 form part of these financial statements

READING MENCAP

NOTES TO THE FINANCIAL STATEMENTS For the year ended 31 March 2009

1 ACCOUNTING POLICIES

The following accounting policies have been used consistently in dealing with items which are considered material in relation to the financial statements.

a) Basis of accounting

The Financial Statements have been prepared under the historical cost convention, as modified by the inclusion of fixed asset investments at market value, and comply with the Companies Act 1985. The financial statements have been prepared in accordance with the "Accounting and Reporting by Charities: Statement of Recommended Practice" published in March 2005 and Financial Reporting Standard for Smaller Entities (effective January 2007).

b) Incoming Resources

■ Charitable trading activities

Income from trading activities is included in the period that the activity takes place.

■ Donations and grants

Income from donations and grants, including capital grants, is included in incoming resources when these are receivable, except as follows:-

- when donors specify that the donations and grants given to the charitable company must be used in future accounting periods, the income is deferred until those periods.
- when donors impose conditions which have to be fulfilled before the charitable company becomes entitled to such income, the income is deferred and is not included in incoming resources until the preconditions for use have been met.

When donors specify that donations and grants, including capital grants, are for particular restricted purposes, which do not amount to pre-conditions regarding entitlement, this income is included in incoming resources of restricted funds when receivable.

c) Resources expended

All expenditure is included on an accruals basis and is recognised when there is a legal or constructive obligation to pay for expenditure. All costs have been directly attributed to one of the functional categories of resources expended in the Statement of Financial Activities. The charitable company is not registered for VAT and accordingly expenditure is shown gross of irrecoverable VAT.

- Costs of generating funds represents the costs of fundraising;
- Charitable activities comprise activities undertaken to further the purposes of the charity;
- Governance costs represents the costs of the management of the charity and complying with constitutional and statutory requirements.

d) Depreciation

Equipment is capitalised when it has a useful life in excess of one year and costs over £500. Depreciation is calculated so as to write-off the cost of an asset, less its estimated residual value, over the useful economic life of the asset, as follows:-

| | |
|-------------------|---------------------------------------|
| Freehold property | Over 50 years on straight-line method |
| Furniture | Over 10 years on straight-line method |
| Office equipment | Over 4 years on straight-line method |
| Play equipment | Over 5 years on straight-line method |
| Motor vehicles | 25% reducing balance basis |

e) Pensions

The charitable company operates a defined contribution pension scheme. Contributions payable for the period are charged in the statement of financial activities.

f) Taxation

The charitable company is exempt from corporation tax on its charitable activities.

READING MENCAP

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 March 2009

1 g) Fund Accounting

Funds held by the charitable company are either:-

- **Unrestricted funds** - these are funds which can be used in accordance with the charitable objects at the discretion of the trustees.
- **Designated funds** - these are funds which set aside by the trustees out of unrestricted general funds for specific future purposes or projects.
- **Restricted funds** - these are funds that can only be used for particular restricted purposes within the objects of the charitable company. Restrictions arise when specified by the donor or when funds are raised for particular restricted purposes.

Further explanation of the nature and purpose of each fund is set out in note 9.

2 INCOMING RESOURCES FROM ACTIVITIES IN FURTHERANCE OF THE CHARITY'S OBJECTS

| | Restricted Funds £ | Unrestricted General Funds £ | Designated Funds £ | Total 2009 £ | Total 2008 £ |
|---------------|--------------------------|---------------------------------------|--------------------------|--------------------|--------------------|
| Mencap cards | - | 1,174 | - | 1,174 | 4,241 |
| Subscriptions | - | 1,833 | - | 1,833 | 2,530 |
| Grants | 1,373 | 50,982 | - | 52,355 | 46,276 |
| Transport | - | 26,851 | - | 26,851 | 25,944 |
| Rental income | - | 18,725 | - | 18,725 | 21,065 |
| Other income | - | 7,489 | - | 7,489 | 8,778 |
| | <u>1,373</u> | <u>107,054</u> | <u>-</u> | <u>108,427</u> | <u>108,834</u> |

3 INCOMING RESOURCES FROM ACTIVITIES FOR GENERATING FUNDS

| | Unrestricted General Funds £ | Designated Funds £ | Total 2009 £ | Total 2008 £ |
|-------------|---------------------------------------|--------------------------|--------------------|--------------------|
| Fundraising | <u>4,970</u> | <u>-</u> | <u>4,970</u> | <u>3,363</u> |

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NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 March 2009

4 TOTAL RESOURCES EXPENDED

| | Direct Costs £ | Governance Costs £ | Total 2009 £ | Total 2008 £ |
|---------------------------------|----------------------|--------------------------|--------------------|--------------------|
| Salary costs | 68,924 | - | 68,924 | 73,665 |
| Premises expenses | 5,842 | - | 5,842 | 6,483 |
| Travelling and motor expenses | 10,922 | - | 10,922 | 6,913 |
| Club expenditure | 1,886 | - | 1,886 | 1,562 |
| Expenses re rental income | 784 | - | 784 | 1,802 |
| Welfare | 840 | - | 840 | 1,938 |
| Play Scheme expenses | 2,863 | - | 2,863 | 3,791 |
| Carer Respite Breaks | 4,333 | - | 4,333 | 5,566 |
| Mencap cards | 161 | - | 161 | 2,210 |
| Printing, postage and telephone | 2,993 | - | 2,993 | 6,156 |
| Professional fees | 3,679 | 1,645 | 5,324 | 5,586 |
| Bank charges | 554 | - | 554 | 337 |
| Depreciation | 6,158 | - | 6,158 | 7,451 |
| Sundry expenses | 2,429 | - | 2,429 | 6,515 |
| 21 Club expenses | 20,413 | - | 20,413 | 18,852 |
| Drama club expenses | - | - | - | 2,859 |
| | <u>132,783</u> | <u>1,645</u> | <u>134,428</u> | <u>151,686</u> |

| | 2009 £ | 2008 £ |
|---|---------------|---------------|
| The aggregate payroll costs were:- | | |
| Salaries and wages | 84,924 | 87,007 |
| Social Security costs | 4,076 | 4,139 |
| | <u>89,000</u> | <u>91,146</u> |

The average number of employees during the year were 13.

No employee earned more than £60,000 p.a.

None of the trustees received any remuneration or were reimbursed any expenses for carrying out their duties as trustees. However during the year C Cross and J Stent were paid employees of the charity.

5 NET INCOMING RESOURCES

| | 2009 £ | 2008 £ |
|-------------------------------|-----------|-----------|
| This is stated after charging | | |
| Depreciation | 6,158 | 7,451 |
| Independent examiners fee | 1,645 | 1,807 |

READING MENCAP

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 March 2009

6 FIXED ASSETS

| | Land & Buildings £ | Equipment & Furniture £ | Play Equipment £ | Motor Vehicles £ | Total £ |
|-----------------------|--------------------------|-------------------------------|------------------------|------------------------|------------|
| Cost | | | | | |
| At 1 April 2008 | 90,322 | 14,156 | 937 | 28,022 | 133,437 |
| Additions | - | - | - | - | - |
| Disposals | - | - | - | - | - |
| As at 31 March 2009 | 90,322 | 14,156 | 937 | 28,022 | 133,437 |
| Depreciation | | | | | |
| At 1 April 2008 | 8,346 | 10,626 | 937 | 16,975 | 36,884 |
| Charge for the period | 1,391 | 2,005 | - | 2,762 | 6,158 |
| Disposals | - | - | - | - | - |
| As at 31 March 2009 | 9,737 | 12,631 | 937 | 19,737 | 43,042 |
| Net Book Value | | | | | |
| At 31 March 2009 | 80,585 | 1,525 | - | 8,285 | 90,395 |
| At 1 April 2008 | 81,976 | 3,530 | - | 11,047 | 96,553 |

The market value of the freehold land and buildings is in excess of the carrying value. The trustees do not believe it practical or useful to obtain a valuation especially in light of the legal charge held over the property by Reading Borough Council as explained in note 9.

| | 2009 £ | 2008 £ |
|--|-----------|-----------|
| 7 DEBTORS: | | |
| Amounts falling due within one year | | |
| Prepayments and other debtors | 4,646 | 5,880 |
| | 4,646 | 5,880 |
| 8 CREDITORS: | | |
| Amounts due within one year | | |
| Other taxes and social security costs | 2,594 | 1,731 |
| Accruals | 7,258 | 2,330 |
| | 9,852 | 4,061 |

READING MENCAP

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 March 2009

| | 2009 £ | 2008 £ |
|---|-----------|-----------|
| 9 CREDITORS: | | |
| Amounts falling due after one year | | |
| Reading Borough Council | 50,000 | 50,000 |

Reading Borough Council provided the above funding to enable the original purchase of the freehold of 21 Alexandra Road.

Reading Borough Council hold a legal charge over the property and are potentially entitled to the full market value sale proceeds should Reading Mencap ever sell the property.

10 FUND ANALYSIS

| FUND ANALYSIS | | Movement in Resources | | | | |
|----------------------------|------|-------------------------------|----------------|----------------------------|----------------------------|-------------------------------|
| | Note | Balance at 01/04/2008 £ | Transfers £ | Incoming Resources £ | Resources Expended £ | Balance at 31/03/2009 £ |
| Unrestricted | | | | | | |
| General | | 91,342 | (19,040) | 118,546 | (112,323) | 78,525 |
| Designated | | | | | | |
| Mini-bus | a | 1,770 | - | - | - | 1,770 |
| Total General Funds | | 93,112 | (19,040) | 118,546 | (112,323) | 80,295 |
| Restricted | | | | | | |
| Mini-bus | b | 11,047 | | - | (2,762) | 8,285 |
| 21 Club | c | - | 19,040 | 1,373 | (20,413) | - |
| | | 11,047 | 19,040 | 1,373 | (23,175) | 8,285 |

The transfer represents the excess of expenditure over income for the 21 Club transferred to unrestricted reserves.

READING MENCAP

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 March 2009

10 FUND ANALYSIS (cont/d)

- a These represent funds which have been set aside for a new minibus in the future.
- b The minibus funds were used for the purchase of a new minibus (GX55 EFD).
- c Grants are received to enable the running of the "21 Club" weekly meetings for adults who at present do not attend any other day centre. This has ceased as of 31 December 2008.

11 ANALYSIS OF NET ASSETS BETWEEN FUNDS

| | Fixed Assets £ | Net Current Assets £ | Creditors > 1 year £ | Total £ |
|---------------------|----------------------|----------------------------|----------------------------|---------------|
| Restricted | | | | |
| Minibus Fund | 8,285 | - | - | 8,285 |
| | <u>8,285</u> | <u>-</u> | <u>-</u> | <u>8,285</u> |
| Unrestricted | | | | |
| General | 82,110 | 46,415 | (50,000) | 78,525 |
| Designated | - | 1,770 | - | 1,770 |
| | <u>82,110</u> | <u>48,185</u> | <u>(50,000)</u> | <u>80,295</u> |
| Total | <u>90,395</u> | <u>48,185</u> | <u>(50,000)</u> | <u>88,580</u> |