

Company registration number: 03612081

Charity registration number: 1071148

Brighton, Hove & District Mencap Society

(A company limited by guarantee)

Annual Report and Financial Statements

for the Year Ended 31 December 2017

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Brighton, Hove & District Mencap Society**Reference and Administrative Details**

Trustees	Ms Christine Eleanore Mary King Ms Sheila May Moulton (resigned 1 August 2017) Dr Robert Harvey Cowe (resigned 1 August 2017) Mr Robert Alan Parr Mr Richard Morris (resigned 1 December 2017)
Secretary	Mr Robert Alan Parr
Principal Office	6 Brangwyn Drive Brighton East Sussex BN1 8XB The charity is incorporated in England.
Company Registration Number	03612081
Charity Registration Number	1071148
Solicitors	Griffith Smith Farrington Webb 47 old Steine Brighton East Sussex

Brighton, Hove & District Mencap Society

Trustees' Report

The trustees, who are directors for the purposes of company law, present the annual report together with the financial statements of the charitable company for the year ended 31 December 2017.

Objectives and activities

Objects and aims

The relief of people with a learning disability in particular by the provision of help and support for them and 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 the need thereof by reason of learning disability with the object of improving their condition of life.

To increase public awareness and understanding of the abilities of people with a learning disability, their problems and needs and those of their families, dependants and carers in order to assist their integration in society.

To encourage mutual help and co-operation between families, dependants and carers of people with learning disabilities (particularly within the geographical vicinity of the Society) and also between them and other agencies and individuals who work for and with them.

To assist and promote the Royal Society, its members and groups (taking into account the work and resources of the Society) in order to achieve mutual of similar objects.

To co-operate with other charities, voluntary bodies and statutory authorities operating in furtherance of the objects of the Society or other similar charitable objects and exchange information and advice with them.

To pursue a policy of integration and inclusion in society at large through leisure programmes.

Objectives, strategies and activities

The work of the Society is varied but it is all to enhance the quality of life of those with learning disabilities in our area, and to assist elderly parents who continue to support their sons and daughters at home.

Most of our welfare work is ongoing. We deal with situations as they arise, whether the problem is one of health, accommodation, allowances or the lack of respite care. Where we are unable to help directly, we either contact or put the parent/carer in touch with the relevant body.

We work towards the integration of our disabled members through leisure activities and have provided annual holidays, outings etc. which also gives respite care to carers.

Public benefit

The trustees consider all of the activities of the Charity satisfy the Public Benefit requirement.

The trustees confirm that they have complied with the requirements of section 4 of the Charities Act 2011 to have due regard to the public benefit guidance published by the Charity Commission for England and Wales.

Brighton, Hove & District Mencap Society

Trustees' Report

Grant making policies

As part of its charitable activity the organisation makes grants available to beneficiaries and their carers to afford them the opportunity of benefitting from outings or holidays.

Use of volunteers

The Charity relies on the goodwill of volunteers to assist it in fulfilling its objects.

Financial review

Policy on reserves

The Development Fund, although not a restricted fund, is not regarded as a reserve, being monies set aside from the proceeds of the annual sale of Christmas cards and gifts in past years. It was originally intended to use the fund to provide a permanent headquarters for the society. However, with the continual rise in property prices we may never be in a position to fulfil our objective so the trustees have decided to use the fund for other purposes. During 2013, no funds were required in order to subsidise the funds available for the provision of services.

The costs of the administration of the charity have been tightly controlled during the year and as a result have remained in line with both expectations and earlier accounting period..

Other unrestricted funds are used as a buffer to counter the ebb and flow of income and expenditure, which can vary widely from year to year.

The Holiday Fund is a restricted fund and past policy has been to spend only the income from investments.

Investment policy and objectives

The largest part of the society's investments is in respect of the Holiday Fund. These funds were placed with the Charities Aid Foundation as part of a pooled fund in 2001. The fund has performed in line with market expectations during the year and has recovered some of the losses experienced during the previous period.

In 2006 £120,000 of the Charities Aid Foundation Growth Fund holding was sold and reinvested in a stocks and shares portfolio with stockbroker J M Finn and co Limited under a medium risk investment profile. The objective of this part of the Holiday Fund is to maximise income whilst maintaining capital, in order to sustain the current level of grants. The rest of the fund remains invested for growth in the Charities Aid Foundation Growth Fund.

Structure, governance and management

Nature of governing document

The charity is controlled by its governing document, a deed of trust, and constitutes a limited company, limited by guarantee, as defined by the Companies Act 2006.

Brighton, Hove & District Mencap Society

Trustees' Report

Organisational structure

The Society is a self-help group, run entirely by volunteers. The governing body is the board of Trustees, elected annually at the Annual General Meeting, and consists of chairperson, secretary, treasurer and up to seven other committee members including service user representatives. It has powers to co-opt additional members as required. Meetings are held on a monthly basis, usually on the second Tuesday of each month excepting August and December.

Sub-committees are formed for specific purposes (e.g. the Holiday Fund Committee, which oversees investments and awards holiday grants to clients).

Financial instruments

Objectives and policies

The charity's activities expose it to a number of financial risks including credit risk, cash flow risk and liquidity risk. The use of financial derivatives is governed by the charity's policies approved by the board of trustees, which provide written principles on the use of financial derivatives to manage these risks. The charity does not use derivative financial instruments for speculative purposes.

Cash flow risk

The charity's activities expose it primarily to the financial risks of changes in foreign currency exchange rates and interest rates. The charity uses foreign exchange forward contracts and interest rate swap contracts to hedge these exposures.

Interest bearing assets and liabilities are held at fixed rate to ensure certainty of cash flows.

Credit risk

The charity's principal financial assets are bank balances and cash, trade and other receivables, and investments.

The charity's credit risk is primarily attributable to its trade receivables. The amounts presented in the balance sheet are net of allowances for doubtful receivables. An allowance for impairment is made where there is an identified loss event which, based on previous experience, is evidence of a reduction in the recoverability of the cash flows.

The credit risk on liquid funds and derivative financial instruments is limited because the counterparties are banks with high credit-ratings assigned by international credit-rating agencies.


The charity has no significant concentration of credit risk, with exposure spread over a large number of counterparties and customers.

Liquidity risk

In order to maintain liquidity to ensure that sufficient funds are available for ongoing operations and future developments, the charity uses a mixture of long-term and short-term debt finance.

Further details regarding liquidity risk can be found in the Statement of accounting policies in the financial statements.

The annual report was approved by the trustees of the charity on 16 October 2018 and signed on its behalf by:


.....
Mr Robert Alan Parr
Company Secretary and Trustee

Brighton, Hove & District Mencap Society**Statement of Trustees' Responsibilities**


The trustees (who are also the directors of Brighton, Hove & District Mencap Society for the purposes of company law) are responsible for preparing the trustees' report and the financial statements in accordance with the United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) and applicable law and regulations.

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

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.

Approved by the trustees of the charity on 16 October 2018 and signed on its behalf by:



Mr Robert Alan Parr
Company Secretary and Trustee

Brighton, Hove & District Mencap Society

Statement of Financial Activities for the Year Ended 31 December 2017
(Including Income and Expenditure Account and Statement of Total Recognised Gains and Losses)

	Note	Unrestricted funds £	Restricted funds £	Total 2017 £
Income and Endowments from:				
Donations and legacies	3	38	-	38
Charitable activities	4	210	-	210
Investment income	5	198	8,428	8,626
Total Income		446	8,428	8,874
Expenditure on:				
Raising funds		-	(2,067)	(2,067)
Charitable activities	6	(8,361)	(1,381)	(9,742)
Other expenditure	7	(7)	-	(7)
Total Expenditure		(8,368)	(3,448)	(11,816)
Gains/losses on investment assets		(110)	36,237	36,127
Net (expenditure)/income		(8,032)	41,217	33,185
Net movement in funds		(8,032)	41,217	33,185
Reconciliation of funds				
Total funds brought forward		35,224	332,327	367,551
Total funds carried forward	16	27,192	373,544	400,736
	Note	Unrestricted funds £	Restricted funds £	Total 2016 £
Income and Endowments from:				
Donations and legacies	3	565	-	565
Charitable activities	4	7,140	-	7,140
Investment income	5	167	8,795	8,962
Total Income		7,872	8,795	16,667
Expenditure on:				
Raising funds		491	(965)	(474)
Charitable activities	6	(9,996)	(2,250)	(12,246)
Other expenditure	7	(7)	-	(7)
Total Expenditure		(9,512)	(3,215)	(12,727)
Gains/losses on investment assets		217	17,224	17,441
Net (expenditure)/income		(1,423)	22,804	21,381
Net movement in funds		(1,423)	22,804	21,381

Brighton, Hove & District Mencap Society**Statement of Financial Activities for the Year Ended 31 December 2017**
(Including Income and Expenditure Account and Statement of Total Recognised Gains and Losses)

	Note	Unrestricted funds £	Restricted funds £	Total 2016 £
Reconciliation of funds				
Total funds brought forward		36,646	309,523	346,169
Total funds carried forward	16	35,223	332,327	367,550

All of the charity's activities derive from continuing operations during the above two periods.
The funds breakdown for 2016 is shown in note 16.

Brighton, Hove & District Mencap Society**(Registration number: 03612081)****Balance Sheet as at 31 December 2017**

	Note	2017 £	2016 £
Fixed assets			
Tangible assets	12	15	22
Investments	13	341,879	309,578
		341,894	309,600
Current assets			
Debtors	14	-	315
Cash at bank and in hand		60,219	60,213
		60,219	60,528
Creditors: Amounts falling due within one year	15	(1,377)	(2,578)
Net current assets		58,842	57,950
Net assets		400,736	367,550
Funds of the charity:			
Restricted funds		373,544	332,327
Unrestricted income funds			
Unrestricted funds		27,192	35,223
Total funds	16	400,736	367,550

For the financial year ending 31 December 2017 the charity was entitled to exemption from audit under section 477 of the Companies Act 2006 relating to small companies.

Directors' responsibilities:

- The members have not required the charity to obtain an audit of its accounts for the year in question in accordance with section 476; and
- The directors acknowledge their responsibilities for complying with the requirements of the Act with respect to accounting records and the preparation of accounts.

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

The financial statements on pages 6 to 17 were approved by the trustees, and authorised for issue on 16 October 2018 and signed on their behalf by:



Mr Robert Alan Parr
Company Secretary and Trustee

Brighton, Hove & District Mencap Society**Notes to the Financial Statements for the Year Ended 31 December 2017**

1 Charity status

The charity is a charity limited by guarantee and consequently does not have share capital. Each of the trustees is liable to contribute an amount not exceeding £1 towards the assets of the charity in the event of liquidation.

2 Accounting policies*Summary of significant accounting policies and key accounting estimates*

The principal accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

Statement of compliance

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.

Basis of preparation

Brighton, Hove & District Mencap Society 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 notes.

Going concern

The trustees consider that there are no material uncertainties about the charity's ability to continue as a going concern nor any significant areas of uncertainty that affect the carrying value of assets held by the charity.

Exemption from preparing a cash flow statement

The charity opted to early adopt Bulletin 1 published on 2 February 2016 and have therefore not included a cash flow statement in these financial statements.

Income and endowments

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

Donations and legacies

Donations are recognised when the charity has been notified in writing of both the amount and settlement date. In the event that a donation is subject to conditions that require a level of performance by the charity before the charity is entitled to the funds, the income is deferred and not recognised until either those conditions are fully met, or the fulfilment of those conditions is wholly within the control of the charity and it is probable that these conditions will be fulfilled in the reporting period.

Investment income

Dividends are recognised once the dividend has been declared and notification has been received of the dividend due.

Brighton, Hove & District Mencap Society**Notes to the Financial Statements for the Year Ended 31 December 2017**

Expenditure

All expenditure is recognised once there is a legal or constructive obligation to that expenditure, it is probable settlement is required and the amount can be measured reliably. All costs are allocated to the applicable expenditure heading that aggregate similar costs to that category. Where costs cannot be directly attributed to particular headings they have been allocated on a basis consistent with the use of resources, with central staff costs allocated on the basis of time spent, and depreciation charges allocated on the portion of the asset's use. Other support costs are allocated based on the spread of staff costs.

Raising funds

These are costs incurred in attracting voluntary income, the management of investments and those incurred in trading activities that raise funds.

Charitable activities

Charitable expenditure comprises those costs incurred by the charity in the delivery of its activities and services for its beneficiaries. It includes both costs that can be allocated directly to such activities and those costs of an indirect nature necessary to support them.

Grant provisions

Provisions for grants are made when the intention to make a grant has been communicated to the recipient but there is uncertainty about either the timing of the grant or the amount of grant payable.

Support costs

Support costs include central functions and have been allocated to activity cost categories on a basis consistent with the use of resources, for example, allocating property costs by floor areas, or per capita, staff costs by the time spent and other costs by their usage.

Governance costs

These include the costs attributable to the charity's compliance with constitutional and statutory requirements, including audit, strategic management and trustees' meetings and reimbursed expenses.

Taxation

The charity is considered to pass the tests set out in Paragraph 1 Schedule 6 of the Finance Act 2010 and therefore it meets the definition of a charitable company for UK corporation tax purposes. Accordingly, the charity is potentially exempt from taxation in respect of income or capital gains received within categories covered by Chapter 3 Part 11 of the Corporation Tax Act 2010 or Section 256 of the Taxation of Chargeable Gains Act 1992, to the extent that such income or gains are applied exclusively to charitable purposes.

Tangible fixed assets

Individual fixed assets costing £0.00 or more are initially recorded at cost, less any subsequent accumulated depreciation and subsequent accumulated impairment losses.

Depreciation and amortisation

Depreciation is provided on tangible fixed assets so as to write off the cost or valuation, less any estimated residual value, over their expected useful economic life as follows:

Asset class	Depreciation method and rate
Office equipment	20% - reducing balance

Brighton, Hove & District Mencap Society**Notes to the Financial Statements for the Year Ended 31 December 2017**

Fixed asset investments

Fixed asset investments, other than programme related investments, are included at market value at the balance sheet date. Realised gains and losses on investments are calculated as the difference between sales proceeds and their market value at the start of the year, or their subsequent cost, and are charged or credited to the Statement of Financial Activities in the period of disposal.

Unrealised gains and losses represent the movement in market values during the year and are credited or charged to the Statement of Financial Activities based on the market value at the year end.

Trade debtors

Trade debtors are amounts due from customers for merchandise sold or services performed in the ordinary course of business.

Trade debtors are recognised initially at the transaction price. They are subsequently measured at amortised cost using the effective interest method, less provision for impairment. A provision for the impairment of trade debtors is established when there is objective evidence that the charity will not be able to collect all amounts due according to the original terms of the receivables.

Cash and cash equivalents

Cash and cash equivalents comprise cash on hand and call deposits, and other short-term highly liquid investments that are readily convertible to a known amount of cash and are subject to an insignificant risk of change in value.

Trade creditors

Trade creditors are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Accounts payable are classified as current liabilities if the charity does not have an unconditional right, at the end of the reporting period, to defer settlement of the creditor for at least twelve months after the reporting date. If there is an unconditional right to defer settlement for at least twelve months after the reporting date, they are presented as non-current liabilities.

Trade creditors are recognised initially at the transaction price and subsequently measured at amortised cost using the effective interest method.

Fund structure

Unrestricted income funds are general funds that are available for use at the trustees's discretion in furtherance of the objectives of the charity.

Designated funds are unrestricted funds set aside for specific purposes at the discretion of the trustees.

Restricted income funds are those donated for use in a particular area or for specific purposes, the use of which is restricted to that area or purpose.

Brighton, Hove & District Mencap Society**Notes to the Financial Statements for the Year Ended 31 December 2017**

3 Income from donations and legacies

	Unrestricted funds		
	General £	Total 2017 £	Total 2016 £
Donations and legacies;			
Donations from individuals	38	38	565
	38	38	565

4 Income from charitable activities

	Unrestricted funds		
	General £	Total 2017 £	Total 2016 £
Provision of holidays and outings	210	210	7,140

5 Investment income

	Unrestricted funds			Total 2017 £	Total 2016 £
	Designated £	General £	Restricted funds £		
Interest receivable and similar income;					
Interest receivable on bank deposits	186	12	-	198	-
Other income from fixed asset investments	-	-	8,428	8,428	8,962
	186	12	8,428	8,626	8,962

Brighton, Hove & District Mencap Society**Notes to the Financial Statements for the Year Ended 31 December 2017**

6 Expenditure on charitable activities

		Unrestricted funds			
	Note	General £	Restricted funds £	Total 2017 £	Total 2016 £
Provision of holidays and outings		7,660	-	7,660	8,938
Grant funding of activities		-	1,100	1,100	2,250
Governance costs	8	701	281	982	1,058
		8,361	1,381	9,742	12,246

£Nil (2016 - £Nil) of the above expenditure was attributable to unrestricted funds and £Nil (2016 - £Nil) to restricted funds.

7 Other expenditure

		Unrestricted funds		
	Note	General £	Total 2017 £	Total 2016 £
Depreciation, amortisation and other similar costs		7	7	7
		7	7	7

8 Analysis of governance and support costs

Governance costs

	Unrestricted funds			
	General £	Restricted funds £	Total 2017 £	Total 2016 £
Other governance costs	-	70	70	434
Allocated support costs	701	211	912	624
	701	281	982	1,058

Brighton, Hove & District Mencap Society**Notes to the Financial Statements for the Year Ended 31 December 2017**

9 Net incoming/outgoing resources

Net (outgoing)/incoming resources for the year include:

	2017 £	2016 £
Depreciation of fixed assets	7	7

10 Trustees remuneration and expenses

No trustees, nor any persons connected with them, have received any remuneration from the charity during the year.

No trustees have received any reimbursed expenses or any other benefits from the charity during the year.

11 Taxation

The charity is a registered charity and is therefore exempt from taxation.

12 Tangible fixed assets

	Furniture and equipment £	Total £
Cost		
At 1 January 2017	1,337	1,337
At 31 December 2017	1,337	1,337
Depreciation		
At 1 January 2017	1,315	1,315
Charge for the year	7	7
At 31 December 2017	1,322	1,322
Net book value		
At 31 December 2017	15	15
At 31 December 2016	22	22

13 Fixed asset investments

	2017 £	2016 £
Other investments	341,879	309,578

Brighton, Hove & District Mencap Society**Notes to the Financial Statements for the Year Ended 31 December 2017**

Other investments

	Listed investments £	Unlisted investments £	Total £
Cost or Valuation			
At 1 January 2017	114,619	188,216	302,835
Revaluation	10,686	31,494	42,180
Additions	29,591	-	29,591
Disposals	(32,727)	-	(32,727)
At 31 December 2017	122,169	219,710	341,879
Net book value			
At 31 December 2017	122,169	219,710	341,879
At 31 December 2016	114,619	188,216	302,835

14 Debtors

	2017 £	2016 £
Other debtors	-	315
	-	315

15 Creditors: amounts falling due within one year

	2017 £	2016 £
Trade creditors	-	1,200
Other creditors	1,377	1,378
	1,377	2,578

Brighton, Hove & District Mencap Society

Notes to the Financial Statements for the Year Ended 31 December 2017

16 Funds

	Balance at 1 January 2017 £	Incoming resources £	Resources expended £	Other recognised gains/(losses) £	Balance at 31 December 2017 £
Unrestricted funds					
General	29,057	260	(8,368)	(7)	20,942
Designated	6,167	186	-	(103)	6,250
Total unrestricted funds	35,224	446	(8,368)	(110)	27,192
Restricted funds	(332,327)	(8,428)	3,448	(36,237)	(373,544)
Total funds	367,551	8,874	(11,816)	36,127	400,736

	Balance at 1 January 2016 £	Incoming resources £	Resources expended £	Other recognised gains/(losses) £	Balance at 31 December 2016 £
Unrestricted funds					
General	30,675	7,872	(9,512)	14	29,049
Designated	5,971	-	-	203	6,174
Total unrestricted funds	36,646	7,872	(9,512)	217	35,223
Restricted funds	309,523	8,795	(3,215)	17,224	332,327
Total funds	346,169	16,667	(12,727)	17,441	367,550

17 Analysis of net assets between funds

	Unrestricted funds			
	General £	Designated £	Restricted funds £	Total funds £
Tangible fixed assets	15	-	-	15
Fixed asset investments	397	5,756	335,726	341,879
Current assets	29,055	500	30,664	60,219
Current liabilities	(886)	-	(491)	(1,377)
Total net assets	28,581	6,256	365,899	400,736

Brighton, Hove & District Mencap Society**Notes to the Financial Statements for the Year Ended 31 December 2017**

18 Analysis of net funds

	At 1 January 2017 £	Cash flow £	At 31 December 2017 £
Cash at bank and in hand	60,213	6	60,219
Net debt	<u>60,213</u>	<u>6</u>	<u>60,219</u>