



A N N U A L
R E P O R T
2 0 1 8

CELEBRATING MENCAP'S
ACHIEVEMENTS OVER
THE YEAR

Overview

The Mencap group (“Mencap”) is made up of a number of different parts. Royal Mencap Society (referred to as “the charity” in our accounts) is the parent charitable company, and has some subsidiary companies: Mencap Trust Company, which provides a discretionary trust service; Mencap Limited, which is our trading arm; and Mencap Promotions, which ran fundraising events until 31 March 2018. Golden Lane Housing provides housing for people with a learning disability and other vulnerable people and is a separate charity, but also a subsidiary of Royal Mencap Society and part of the Mencap group.

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A word from the chair and chief executive



2017-18 has been a year of significant progress as we move forward with Our Big Plan – designed to help people with a learning disability make the choices they want and to enjoy the same opportunities and services as the rest of the population, without the discrimination that still exists in our society.

Derek Lewis
Chair of Mencap trustees

This progress has been achieved despite the financial threat from the issue of back payments for sleep-ins. You will find more detail about this issue in the chief executive's foreword and elsewhere in this report.

I want to focus on two aspects of Our Big Plan, which are for Mencap to become more completely inclusive and more effective in the way it is governed. We are dedicated to helping those with a learning disability in having their own voice (and ensuring that voice is heard), making their own choices and realising their own ambitions. You will read more about how our services and other operations are becoming even more person-centred in this report. But it is equally important that our governance fully reflects the same principles.

Our journey towards shaping a more inclusive way of working started two years ago with the formal creation of the Learning Disability Advisory Forum. At the same time we increased the involvement of people with a learning disability in the workings of the board and in the appointment of trustees, through membership of the nominations committee. In consultation with the forum we have decided to expand its role and influence. The forum has chosen a new name to reflect the changes – the Voices Council. It now meets the day before every meeting of the trustee board to consider any items on the board agenda on which it wishes to express a view and any other aspects of the direction of Mencap that it considers important. The board responds formally to the council's input.

Additional members are being recruited to the Voices Council. It now has a chair and two vice chairs, two of whom participate in every trustee board meeting, which commences with a report and advice from the council. A vice chair also sits on the nominations committee and another on the quality and compliance committee. This annual report lists the members of the council (page 72), to whom we are very grateful for their hard work and invaluable contribution. The annual report also contains the council's report on its activities and views, as will be the case in future.

These principles of inclusion and joint decision-making are fundamental to our vision of the world we wish to see. It is absolutely right that they should be securely embedded in the way Mencap operates throughout the organisation.

Criticism over fundraising and the treatment of vulnerable people and staff has rocked the wider charity sector this year. Mencap has a robust approach to governance as well as comprehensive policies, controls and reporting covering fundraising and the safeguarding of vulnerable people. There is, however, no room for complacency and we have reviewed our policies and practices in these areas. As a result we have appointed a vice chair of trustees and assigned special responsibility for safeguarding to another trustee; conducted an independent review of our safeguarding practices; appointed an independent chair of the safeguarding committee; and reinforced the organisation's internal audit and risk management practices.



I enjoy this moment at the end of every year, when I reflect on what we have achieved during the last twelve months. The task ahead is so huge and pressing that we don't always make time to pause and celebrate the difference we make.

Janine Tregelles
Mencap's chief executive

We reached another milestone in our fight for inclusion with the launch of our health campaign, *Treat me well*, which aims to transform how people with a learning disability are treated in hospital. The effort that went into this work was outstanding and was very well received. I particularly liked the fact that everyone joined in – all our network partners, people we support in our services, other providers, other learning disability charities – and the response we had from NHS England was open and receptive. It is clear there is a real appetite to make improvements to healthcare and collaborate with us to make change. I look forward to sharing with you our progress and the impact it makes on people's lives.

We also provided direct support to 5,231 people with a learning disability in England, Wales and Northern Ireland, and answered nearly 13,000 calls through the Learning Disability Helpline. And we made strides in developing our employment services, whilst supporting over 2,600 people.

We developed and agreed a new strategy for our personal support services. With the people we support at its heart, it has set us up for the future. This has also enabled us to have constructive negotiations with local authorities with the result that we are now in a better financial position to be able to recognise and reward our hard-working colleagues.

Among the triumphs, there were also challenges – in particular, the issue over back payment of

sleep-ins, where a care worker sleeps at the home of someone we support in case there is an emergency during the night. Government guidance said that sleep-ins should be paid at a flat rate until a recent court case decided they should be paid at the National Minimum Wage, and that this should be backdated by six years. This could have cost Mencap alone up to £20 million, and the bill for the whole sector was potentially more than £400 million.

We took this case to the Court of Appeal and they ruled that the original guidance was correct – sleep-ins should not attract the National Minimum Wage unless the support worker was awake for the purposes of working. This judgment ended the prospect of years of desperate uncertainty and financial crisis for the whole sector, which would have led to cuts in essential services and job losses. However, it was very disappointing for many colleagues who had their hopes raised to expect back payments. It is important to note that we have been paying for sleep-ins at a higher rate since last year and have no plans to stop this despite the court's ruling. We are now calling on the government to legislate so that all carers are entitled to be paid at a higher rate for sleep-ins and that their employers, in turn, are funded to do this.

We go into 2018/19 with optimism and energy. We are just over half way through Our Big Plan – Mencap's five-year strategy – and are seeing real progress which we will build on over the next year.

A message from the Voices Council



The Voices Council was formed this year as an advisory body to our executive team and trustees. The council is a group of people with a learning disability who ensure that all of our work is informed and developed by people with a learning disability.

Sam Jefferies
Interim chair

There are seven members of the council, including the chair. The Voices Council meets six times a year and provide a report in person to the board of trustees the following day. This report then directly informs discussions and decisions made by trustees. We began meeting as the Learning Disability Advisory Forum in 2015, to work in partnership with Mencap's board of trustees.

We wanted to share this message to show how we have increased our role in the charity since we started, and how we now have a bigger voice in Mencap and the way it makes decisions. There have been so many changes to how we work that we agreed to change our name to the Voices Council.

In the last year we have discussed Mencap's new personal support strategy at our meetings and joined trustees in a workshop to help inform and influence its development.

We have shared our views on Mencap's five strategic 'Our Big Plan' priorities. We spoke with the lifestyle and work team and recommended that Mencap add employment to these priorities. We were also involved in agreeing Mencap's policy statement on pre-natal screening.

We have made suggestions to the board about how we could work together better, and we have some big plans for the future.



What is a learning disability?

A learning disability is a reduced intellectual ability and difficulty with everyday activities – for example household tasks, socialising or managing money – which affects someone for their whole life.

What causes a learning disability?

A learning disability occurs before, during or soon after birth, when the brain is still developing. In some cases a learning disability can develop in early childhood, and in rare cases, up until the age of 18.

The causes of a learning disability vary. They can include things happening to the brain when in the womb, lack of oxygen for the baby during childbirth, early childhood illnesses, accidents or head traumas in early life.

When is a learning disability diagnosed?

A learning disability can be diagnosed at any time. A child may be diagnosed at birth or a parent or professional may notice a difference in a child's early development.

For some people it may be many years before they receive a diagnosis and others may never receive a diagnosis at all.

Do people with a learning disability need support?

People with a learning disability find it harder than others to learn, understand and communicate. They may need support with everyday things – such as shopping and travelling to new places.

People with profound and multiple learning disabilities need full-time help with every part of their lives – including eating, drinking, washing, dressing and toileting.

Are there different types of learning disability?

Some physical and genetic conditions, such as autism, Down's syndrome, Fragile X syndrome or cerebral palsy can mean a person will have a learning disability. Every person's experience of a learning disability is unique to them.

Can you cure a learning disability?

A learning disability is permanent. It starts before adulthood and is lifelong, with lasting effects on the person's development.

Is a learning disability a mental illness?

Mental illness is not the same as a learning disability. Unlike a learning disability, mental health problems can affect anyone at any time and may be overcome with treatment. A learning disability is a reduced intellectual ability and difficulty with everyday activities which affects someone for their whole life. Just like everyone else though, someone with a learning disability can have mental health problems.

How we help

We're here to improve the lives of people with a learning disability and their families now, and strive alongside them for a better future.

All our work supports people with a learning disability to live life the way they choose. We team up with our network of over 400 local groups to reach people across England, Northern Ireland and Wales. Here is how we help:

Campaigning

When we see things that aren't fair, we campaign until we see real change. We strive alongside people with a learning disability to change laws and services, and challenge bad attitudes.

Support

We provide personalised support to people in a way that suits them best. That could be a little bit of extra help with things like going to the shops, paying bills or giving carers a break, right through to giving 24-hour support to people who have very complex needs.

Housing

Everyone should feel happy and safe in their home, and have a choice about where they live. We help people with a learning disability find a home that meets their needs.

Work

Having a job can transform someone's life. We help people with a learning disability become job-ready, find a suitable role, and give them and their new employer the support to make it work.

Advice and information

We offer advice on all sorts of things, from getting the right benefits to problems with family and personal relationships. Whatever the issue, we can help, on the phone and online.

Leisure

Getting out and meeting people can make the world of difference for someone with a learning disability. Whatever their passion, we find out what it is and help them do it.



What we said we would do this year

These are the areas of life we want to have the biggest impact on, where there is the most need to see change for the better. In some cases, we didn't achieve what we said we would. We held back on certain activities that would have cost money in the year due to the uncertainty over sleep-ins as discussed in the chief executive's foreword. Some things were put on hold until we are sure they will be effective, and some things have just taken a bit longer than we hoped. The sections that follow in the trustees' report talk about what we did and didn't do on each of our priority areas and why this was.

Priority area	What we said we would do	Did we achieve this?
 <p>Reducing stigma and discrimination</p> <p>Read more on page 12.</p>	<ol style="list-style-type: none"> 1. Deliver the All In Award in 7 schools to 140 more children, and work with youth services. 2. Support more people with a learning disability to be visible in the media, and support five people to become Mencap spokespeople. 3. Improve our knowledge on the impact of stigma and discrimination by conducting a research project. 	<p>✓</p> <p>✓</p> <p>X</p>
 <p>Making a difference, here and now</p> <p>Read more on page 18.</p>	<ol style="list-style-type: none"> 1. Continue to support thousands of people with a learning disability to have the best quality of life. 2. Deliver positive behavioural support training to 400 more staff and assess its impact. 3. Develop and implement impact monitoring for personal support. 4. Create 90 new tenancies for the people we support, ensuring more individuals have homes to suit their needs. 	<p>✓</p> <p>✓</p> <p>✓</p> <p>✓</p>
 <p>Supporting friendships and relationships</p> <p>Read more on page 24.</p>	<ol style="list-style-type: none"> 1. Deliver a large-scale sex and relationships pilot in Southend to reach 50 people. 2. Launch 3 Gig Buddy pilots in sites across England to support 50 people to access night-time opportunities.* 3. Facilitate and support 1,500 people with a learning disability to develop friendships and relationships through our projects. 	<p>✓</p> <p>✓</p> <p>✓</p>

*3 'buddy' pilots have been launched this year but rather than 3 Gig Buddies pilots, we have delivered 2 Gig Buddy projects and 1 Best Buddies pilot instead.

Priority area	What we said we would do	Did we achieve this?
 <p>Improving health</p> <p>Read more on page 30.</p>	<ol style="list-style-type: none"> 1. Begin a three-year campaign that aims to ensure reasonable adjustments are provided to people with a learning disability in hospital. 2. Use learning from our health training pilot to influence the training and development of key bodies in the health sector. 3. Work with the All Wales Forum of Parents and Carers and Cartrefi Cymru to provide training on the Learning Disability Care Pathways to over 1,000 people. 4. Promote our Don't Miss Out initiative, getting 500 more people on the Learning Disability Register. 	<p>✓</p> <p>✓</p> <p>X</p> <p>✓</p>
 <p>Early intervention</p> <p>Read more on page 38.</p>	<ol style="list-style-type: none"> 1. Increase the number of children we support to 200 through providing a range of holiday and out-of-school care. 2. Roll out Early Positive Approaches to Support across England and Northern Ireland to provide support to over 150 families. 3. Further develop and trial our package of family support to families with children aged 0-5. 4. Conduct research into the barriers families face preventing access to mainstream services. 	<p>X</p> <p>X</p> <p>✓</p> <p>✓</p>
 <p>Employment</p> <p>Read more on page 44.</p>	<p>In early 2017, we decided employment will be a new, separate priority for Mencap. Over the next year we said we would work towards fully clarifying our ambition for this area of our work. As part of this, we have launched the 'Three Ships' model: supported internships, traineeships and apprenticeships. We will build on this and continue developing plans for this area of our work.</p>	



Reducing stigma and discrimination



By 2020 we want people with a learning disability to experience less stigma and discrimination.

Why is this important?

Attitudes towards people with a learning disability have improved greatly over the last century. Mencap's own research shows there have been some important positive changes. However, people with a learning disability are still excluded from various aspects of life and are denied equal access to education, employment, leisure and other opportunities. Changing attitudes is central to improving the lives of people with a learning disability and their families.

A wealth of evidence suggests that increasing contact and interaction with people who have a learning disability is a key way to develop positive attitudes, particularly for young people of a certain age who are developing attitudes that will stay with them throughout their lives. Over the last year, much of our work in tackling stigma and discrimination has focussed on increasing contact. Our direct delivery programmes with children and young people have been developed further and we are generating evidence of strong, positive changes for 8-14 year-olds.

We have also focussed attention this year on increasing indirect contact with people with a learning disability through positive stories and appearances in the media. Our research programmes continue to strengthen our understanding of stigma and discrimination and this will be applied to our media work going forward, in order to reinforce and enhance our impact.

2020 goals

By 2020, we will have:

- improved our knowledge (and that of others who work in this area) of the impact of stigma and discrimination on people with a learning disability
- reduced stigma and discrimination through



A reflection on this priority area

“Tackling stigma and discrimination is important across all of Mencap’s strategic priority areas. For example, our health campaign – *Treat me well* – focuses on addressing the issue of people with a learning disability being discriminated against in hospitals, and our employment work challenges negative preconceptions about working alongside someone with a learning disability.

Whilst the situation has undoubtedly improved with time, we still routinely hear stories from people with a learning disability and their families about the everyday stigma and discrimination they face. That is why our focus in 2017/18 was concerned with delivering programmes of work that both directly challenged these attitudes and, crucially, enabled us to learn more about how to combat negative behaviours going forward. We are committed to utilising these insights and sharing our findings in 2018/19 and beyond so that we can impact all of Mencap’s work.”

Sarah Colston,
head of impact and evaluation

increasing contact among young people with and without a learning disability

- supported people with a learning disability to be more visible in the media in a positive way.

What we have done this year

1. Delivered the All In Award

England

We have continued delivery of the All In Award, an inclusive activity award designed for children with and without a learning disability to work together and support each other to achieve common goals. This has been delivered in schools in London and rolled out to new schools in Kent. We have exceeded our target of 140 children, reaching a total of 240 children with and without a learning disability at 16 schools.

We are starting to see a positive impact from our initial evaluation and early feasibility testing. Qualitative interviews and observations saw children interacting as equals – enjoying themselves and improving their social skills and confidence to interact with each other. Quantitative data also showed that children felt more confident about interacting with peers with a learning disability and were more accepting of them.

As part of our work to ensure the sustainability of these groups, we have developed our relationship with The Woodcraft Folk, an organisation which encourages members to work together to learn and develop new skills. The organisation has recently secured funding to create social groups for young people in the east of England, and we are working hard to ensure young people with a learning disability have a voice in their development.

We have also been exploring working with other young people's groups to ensure they are taking steps to be inclusive, such as the National Citizenship Service (NCS) and Scouts. We were a member of the NCS

inclusion advisory group until this group was unfortunately disbanded. Our work with Scouts is progressing slightly slower than expected due to some local challenges. However, in the coming year we are hoping to set up the delivery of a piece of work that will support people with a learning disability to take part in scouting activities.

We were reminded of the importance of our work, such as the All In Award, after recently attending the Special Educational Needs Policy Research Forum, which revealed an increase in the number of children attending special schools. This indicates a potential growth in segregation in the learning environment, and so other ways to bring together children with and without a learning disability become even more important.

Wales

In Wales, we supported 125 people with a learning disability through our Motivate projects, which are day services funded by local authorities. They support people to engage in activities that increase direct contact and provide opportunities to make positive contributions to their local communities. This includes providing visitor transport at the National Botanic Gardens of Wales, volunteering at National Trust Dinefwr, meals on wheels, and supporting school children to manage a wildlife sanctuary.

We are starting to see positive impacts from our evaluation. This includes significant increases in people's confidence interacting with people with a learning disability; people's comfort with people with a learning disability in different social situations, and people's feelings about people with a learning disability's rights and abilities. This shows us that direct contact is effective in changing attitudes, and that we must continue to influence commissioners of services to ensure it is a key element of service design.

However, in addition to this we're also learning that meeting people with a learning disability



“I like speaking to the media because I can get my point of view across and speak up for people with a learning disability – like talking about employment and the barriers that people with a learning disability face when looking for a job. I did some media work around voting in elections as well. It has helped my confidence.”

Vijay Patel

is not the only variable contributing to attitude change, and that culture and values of an organisation are extremely important in order to improve attitudes too.

2. Supported more people with a learning disability to be visible in the media

Our long-term vision is to use the media to reduce stigma and discrimination through positive stories about what people with a

learning disability can do, and by taking every opportunity for individuals to be in the media. Evidence on stigma and discrimination increasingly indicates that positive contact with people with a learning disability is an effective way of improving attitudes towards them.¹ Notably, this research suggests that a key means of positively influencing public attitudes towards learning disability, particularly among people who may have limited contact with people with a learning disability in their everyday lives, is through the media.

¹ Scior K and Werner S (2015) Changing attitudes to learning disability: a review of the evidence. Available online: https://www.mencap.org.uk/sites/default/files/2016-08/Attitudes_Changing_Report.pdf

This year, we have developed and rolled out a new training programme for spokespeople with a learning disability. The training sessions explain all the methods that someone could be featured in the media and run through a mock pre-recorded interview on camera followed by feedback. To date, over 20 people with a learning disability have trained inside and outside of Mencap.

Our media training has helped us secure 179 pieces of media coverage for people with a learning disability. This has included someone being interviewed on BBC Breakfast about the launch of Mencap's *Treat me well* campaign, and a feature on BBC Radio 4's PM programme where a Mencap employee with a learning disability, shadowed by a journalist, explained the small adjustments that employers can make to ensure their workplace is accessible.

3. Improving our knowledge of the impact of stigma and discrimination

This year, we decided not to conduct a research project to better understand the impact of stigma and discrimination, as experienced by people with a learning disability. This is partly because we held off on discretionary spend due to uncertainty around the sleep-ins issue. However, we also want to reconsider our approach.

Last year we conducted research with Ipsos Mori exploring the attitudes of the general public towards people with a learning disability. Responses to this survey suggested that participants were answering questions in a way that would be viewed favourably by others. From this we learned that discussing the concept of stigma and discrimination is more layered than anticipated, prompting us to review our plans. We also know from our own research work, and that of others, that people with a learning disability may not always understand the concept of stigma and discrimination, or understand that they are being discriminated against. This means we want to consider methodologies, pilot different approaches, and involve internal and external experts on a steering group. This work is very important and we need to get it right.

Over the next year, we will continue to explore the best way for us to conduct this research and ensure the voices of people with a learning disability are heard. We need to understand how people with a learning disability experience stigma and discrimination so we can inform our media and campaigning work for awareness and change, but also so that we can integrate it into our own programmes and service delivery.



Case study

Showcasing the All In Award



What is the All In Award?

The All In Award is a school-based programme designed to develop positive attitudes in young people, aged 8-13, without a learning disability towards those with a learning disability.

How does it work?

The programme is delivered through inclusive school activities – ten to twelve hours over the term – that support teamwork, communication and skills development.

What have we achieved so far?

Since the award was launched, we have reached 250 children in 15 schools across London, Bristol and Kent. The project continues to grow and is due to launch at seven schools in Bradford from September 2018.

“Many of the children have grown in confidence and the impact of this is beginning to show in class. A mainstream child within the group opened up to tell others that she had a disabled brother with Down’s syndrome.”

Teacher participating in the All In Award



Making a difference, here and now



By 2020 we want to have contributed to improving the quality of life for people with a learning disability receiving social care services.

Why is this important?

We believe that every person with a learning disability has the right to a fulfilling life that is determined by their wants and ambitions, not just their needs. Direct services to improve people's lives are a huge part of what we do. Our services, and each staff member who helps deliver these, make a real difference to people with a learning disability every day – impacting all areas of life, from improved health to the development of friendships and relationships, as well as changing attitudes among the public. We want to make sure that everyone who receives a service, whether from us or not, leads a fulfilling life. And we want to continue building on our understanding of services and use this knowledge to change things for the better.

This priority focuses on:

- our social care services
- information and advice
- housing.

2020 goals

By 2020, we will have:

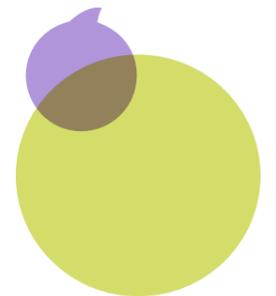
- understood better the difference that we can make in people's lives
- supported people with a learning disability to live the way they choose
- provided key information and advice so more people with a learning disability, and their carers, get the social care that they have a right to.



A reflection on this priority area

“Up until the end of 2017, our focus was on maximising our impact through the development of our own services. However, we are facing a severe social care funding crisis, and if current pressures on the system persist, there will be an estimated £926m funding shortage for learning disability support services by 2020.² To respond to these challenges, Mencap is broadening our ‘Making a difference, here and now’ strategy. We believe we have a role to play in influencing decision makers to fund social care properly and to make sure that people with a learning disability get the social care that they have a right to. We will be developing this part of our strategy as we move into 2018.”

*John Cowman,
director of services*



² Learning Disability Voices (2016): The Care Crisis Manifesto.
Available online: http://www.learningdisabilityvoices.co.uk/wp-content/uploads/2017/11/LD_VOICES_MANIFESTO_JUL_2017.pdf

What we have done this year

1. Continued to support thousands of people with a learning disability

As an organisation, we have a longstanding and respected reputation as a leading social care provider supporting people with a learning disability. This year, we provided direct support to 5,231 people with a learning disability in England, Wales and Northern Ireland. Our support can range from help with things like going to the shops and paying bills, to giving carers a break and providing 24-hour support to people who have complex needs.

Our regulatory performance ratings are determined by 4 regulators across England, Wales and Northern Ireland over a wide range of registered locations. As of 31 March 2018, we operated 150 registered locations, comprising of 140 locations registered with the Care Quality Commission (CQC), 4 locations registered with the Regulation and Quality Improvement Authority (RQIA), 5 locations registered with Care Inspectorate Wales (CIW) and 1 location registered with Ofsted.

Of these 150 locations, 62 were inspected during the reporting year, of which 56 (90%) were assessed as meeting the regulatory standards or were rated as “good”. Improvements have been put in place for services that were rated as “requiring improvement”.

53 services were inspected by CQC; 48 were rated good and 5 were identified as requiring improvement.

1 service was inspected by Ofsted and was also identified as requiring improvement.

4 services were inspected by CIW and 4 services were inspected by RQIA, and all were found to be meeting the regulatory standards.

We were disappointed not to have increased the number of our services rated “outstanding”

by CQC from 3 in the previous reporting year, but a number of services rated good overall were identified as having elements of outstanding.

Our strategic aim is that 100% of our services will be rated good or outstanding by 2021.

Developed our agreed service strategy

Over the last twelve months we have undertaken a significant exercise in listening across the organisation and developed a three-year strategy that has now been fully endorsed by the board. This is constructed around the people we support and has five key areas of focus:

- **Support:** We will be seen as the highest quality provider of support to people with a learning disability.
- **Empower:** We will be an enabler that helps people with a learning disability access all aspects of the system they need to realise their dreams and aspirations.
- **Influence:** We will help the people we support and their families change the world.
- **Our colleagues:** We will be the employer of choice within the sector.
- **Our enterprise:** By offering high quality support alongside efficient use of resources, we will be seen as high value provider within the sector.

We believe that the strategy will allow us to play an important role in making sure that the people we support, and our colleagues, have the very best experiences and chances to succeed.

Ensured a person-centred approach is at the heart of our support

Ensuring our support is determined by and fulfils the needs and wants of, the individual is fundamental to the care we provide. That is why we re-launched our person-centred quality and practice framework, ‘What Matters Most’, and continued to train more of our



This year, we provided direct support to 5,231 people with a learning disability in England, Wales and Northern Ireland

colleagues in positive behavioural support this year.

What is ‘What Matters Most’, why is it important and what have we done?

What Matters Most (WMM) describes how we use person-centred practices to develop safe, reliable and stable services, so we can deliver improved experiences and outcomes for people.

Following the launch of WMM and the training of over 500 managers, this year we have

conducted over 330 ‘reflection events’ to understand the impact and effectiveness of the framework. The events were attended by people we support, their families and other professionals who are part of the person’s life. These events are helping us plan for next year by telling us what worked well and what could be done differently in the future.

2. Delivered positive behavioural support training

Positive behavioural support (PBS) is an

internationally recognised, evidence-based approach that helps us understand why an individual exhibits behaviours that may challenge, and how they can be supported.

This year, we trained 721 colleagues in PBS. We also trained 59 colleagues to become PBS coaches. Since the start of 2015, we have trained 1,450 colleagues in PBS and 80 are now PBS coaches. The coaches will focus on specific locations across our services that require further coaching capacity, according to the needs of people we support.

Following feedback from colleagues at Mencap, and as part of the evolution of our approach, ambitions for practice development now highlight where PBS will be most useful. It forms part of a wider positive support approach for people with a learning disability and is not the totality of our practice. We are now proposing that there is a threefold approach to developing our practice capabilities, focusing on a universal person-centred approach for everyone we support with the use of specific practice interventions, like PBS, for the people who most need them. We will develop this work in more depth next year.

3. Impact monitoring for personal support

This year, we agreed on an approach to measure the impact that we are having on the outcomes and quality of life of the people we support. The approach will be piloted next year and we are excited about gaining this valuable insight.

Our new families programme of work

Families are an important part of Mencap's history and of the lives of the people we support. In recognition of this, we want to see the right to a family life championed for all people with a learning disability across our services and within wider society. In 2017, we launched our new programme of work about families, which will ensure that families are

valued, involved, included and empowered across all areas of the organisation.

Improving the quality of our information and advice service

The volume of calls we receive is a reminder of the need for us to provide high quality information and advice to families, people we support and professionals. This year, our helplines received 12,811 calls, and we provided 4,952 people with a specialist piece of information and advice. We also provided 142 people with legal advice or casework.

In England, the top five topics that people contacted us about were:

- community care 27%
- money and welfare benefits 14%
- mental capacity 8%
- health 5%
- work and employment 5%.

Other issues people contact us about include special educational needs, people detained in assessment and treatment units, safeguarding, transport, the criminal justice system, and friendships and relationships.

4. Created 90 new tenancies for the people we support

This year, we worked with Golden Lane Housing to create 90 new tenancies, although some of these will start in the 2018/19 financial year. These properties are providing much needed, high quality housing for people with a learning disability.

Mencap was delighted to hear earlier this year that the Local Housing Allowance cap enforced by the government will not apply to supported housing. The cap limits the amount of housing benefit paid to private renters so this decision has removed some uncertainty, allowing us to agree new leases beyond 2019.

Case study

This year, we answered 12,811 calls on our helpline, which we couldn't have done without the generosity of our amazing supporters.

Mencap's Learning Disability Helpline proved to be crucial for 22-year-old Joe, who has a learning disability. Joe had never found a place he could call home, having spent most of his life in the care system. When the support he had been receiving from the council came under review, a lack of decisive action had devastating consequences: Joe found it increasingly difficult to get by and became homeless.

Staff at the college Joe was attending were extremely concerned for his wellbeing and called our helpline. This was a huge turning point in his life.

Mencap helped Joe secure accommodation in Brighton and worked with the council to ensure he got the support he urgently needed. Today, Joe no longer fears the future: now he feels safe, secure, and with our support is looking for a job that will give him more independence. Joe's resilience and optimism is inspiring. We are very proud we were able to make a real difference to his life.

We are thrilled that a fundraising appeal featuring Joe's story raised over £71,000. This will help us answer even more calls this year, and be there for more people like Joe. And it's all thanks to our generous supporters.



“Getting support from Mencap was a massive relief. Now I can get on with my life.” **Joe**

The Learning Disability Helpline is our free service that offers advice on a range of issues – from problems with care, support and housing through to welfare and benefit entitlements. Anyone can contact the Learning Disability Helpline about anything to do with learning disability.

Find out more at: www.mencap.org.uk/advice-and-support/learning-disability-helpline



Supporting friendships and relationships



By 2020 we want more people with a learning disability to have stronger friendships and relationships, and be better connected to their communities.

Why is this important?

We all know that loneliness impacts both physical and mental health. Friendships can reduce loneliness, and help people feel happier, included, and more independent or in control of their life.³ Up to 50% of people with a learning disability experience chronic loneliness compared to around 15-30% of the general population.⁴ Furthermore, almost 1 in 3 young people with a learning disability spend less than 1 hour outside their home on a typical Saturday.⁵

As well as friendships, people with a learning disability are much less likely to have personal and sexual relationships. This year, our understanding and thinking about the 'relationships' element of this priority area has developed. We have started to focus on the need for people with a learning disability to be supported to develop their sexuality. This is important so that people with a learning disability are protected from abuse and have the opportunity to experience high quality relationships.

2020 goals

We want everyone with a learning disability to have a supportive network of family, friends and other social connections.

By 2020, we want more people with a learning disability:

- engaged in meaningful activities
- enjoying better friendships
- having improved relationships.



A reflection on this priority area

“Our focus in 2017/18 has been about supporting people with a learning disability to develop their social skills and increasing their flexibility to have friendships with those they choose to spend time with, doing the things they enjoy. We have developed and tested a number of models that provide greater choice and control for people to spend their leisure time, as well as more flexible support models so individuals can access night-time opportunities without being dependent on paid staff or family. In 2018/19, we want to extend these models so more people benefit.

We also worked on understanding the barriers faced by people with a learning disability in forming romantic, personal and sexual relationships. This included understanding how sexual development and an understanding of sexuality was supported in the education system, social care and in the community. We look forward to progressing our work in this area next year.”

*Alison Pike,
director of England*

³ Mason, P., Timms, K., Hayburn, T., and Watters, C. (2013) 'How do people described as having a learning disability make sense of friendship?' *Journal of Applied Research in Intellectual Disabilities*, 26(2): 108-18.

⁴ Gilmore, L. and Cuskelly, M. (2014) 'Vulnerability to loneliness in people with intellectual disability: an explanatory model,' *Journal of Policy and Practice in Intellectual Disabilities*, 11(3): 192-199.

⁵ Mencap (2016) Learning Disability Week Highlights Isolation Faced by Young People with a Learning Disability. Press release. <https://www.mencap.org.uk/press-release/learning-disability-week-highlights-isolation-faced-young-people-learning-disability>

What we have done this year

1. Delivered a sex and relationships pilot

This year, we piloted two sex and relationship projects in England in collaboration with our network partners. These pilots confirmed the importance of high quality sex and relationship education. We know that knowledge of sexuality and related issues is low, and improving this needs to be our starting point. As such, we have launched a larger scale Family Planning Association (FPA) project in Southend called Me and My Body. This has been delivered to 25 people with a learning disability, 20 professionals, and 9 parents in 2017/18. The project will reach 106 people with a learning disability and 60 professionals next year. The FPA model involves the delivery of a 12-week bespoke course, which is developed based on individuals' prior knowledge and experience, as well as their cognitive ability.

To date, the majority of feedback in this area is based on word of mouth but the evaluation from our smaller pilot with Ealing Mencap indicated there had been a positive impact on the people involved.

- People with a learning disability enjoyed the course and wanted to learn more, showing there is a clear demand and need for bespoke sex and relationships education.
- A key observation was that some carers were resistant at first as it was a new and daunting territory. One carer said that she "didn't want to open up a can of worms". However, by the end of a session, where misconceptions were challenged and explained, there was a willingness to engage with the subject and a request for more support.

Internally, we have focused on building the knowledge, confidence and skills of our support workers to understand their role in supporting people's sexual development so

that they feel empowered and confident to meet this important need. We have trained 166 of our personal support colleagues in England this year and conducted training externally in Wales, which reached over 30 people. Our ambition is to have all of our services trained by the end of this year so we build our reputation as a service provider leading the way for sex and relationships educational support.

The outcomes below, from our work in Wales, give an indication of the need for this training:

- 68% of participants (prior to the session) felt they had no knowledge/little knowledge or were unsure around their knowledge of sex and relationships for people with a learning disability.
- Following the training, 84% indicated that they felt confident or very confident discussing sex and relationships with the people they support.
- 94% of participants would recommend or highly recommend the training course to their colleagues.

As part of our aim to ensure people with a learning disability have improved romantic and sexual relationships, we have also been supporting consultation work for the new relationship and sex education curriculum with the Department for Education. We hope to ensure the guidance for schools and the resources to support delivery are accessible and inclusive for people with a learning disability when they come into effect in September 2019.

2. Launched Gig Buddy pilots

This year, we have been delivering 'buddy' pilots in England to support people with a learning disability to access opportunities of their choosing through the support of a person with a shared interest. One is focused in schools (Best Buddies) and the other in the community (Gig Buddies).

Best Buddies involves working with schools

and colleges to create opportunities for people with and without a learning disability, aged between 16 and 35, to form friendships based on shared interests and personalities, and access community services. There is a real need for this provision. People with a learning disability are at risk of social isolation and exclusion at this transition age. To date, we have 50 people – 25 with a learning disability and 25 without – taking part in the programme.

We have faced some challenges with funding for our Gig Buddies projects, and as a result we launched at two sites with 7 people with a learning disability on the programme. Evaluation data will be available in 2018. Gig Buddies works in a similar format to Best Buddies, pairing people together based on a mutual enjoyment of music, or other cultural interests, for example the theatre. The project raises awareness and understanding among the public, as it enables people with a learning disability to be more visible in mainstream settings within local communities.

3. Supported over 1,500 people to develop friendships and relationships

We have directly supported over 1,500 people with a learning disability through our friendships and relationships programmes and, including the reach of the Beacon project, we have indirectly supported an additional 3,000 people to develop friendships and relationships.



Project	Number reached	Outcomes
Gateway Award This project encourages people to gain new skills and experiences, become more independent, make friends, and be active in the community – improving their health and wellbeing.	577 people.	Participants report: <ul style="list-style-type: none"> • positive friendships and connections developed as a result of increased opportunities • decreased loneliness and social isolation • greater choice and control over how they spend their free time • greater personal wellbeing and quality of life.
Round The World Challenge This is a fun, physical activity challenge that turns hours of sport and fitness-based activities into an around-the-world adventure.	357 people with a learning disability, 271 sports professionals who took part in our ‘Learning Disability and Sport’ course.	<ul style="list-style-type: none"> • Many participants enjoyed the social aspect, reporting that it improved their social skills, which can make relationships more rewarding and sustainable. • 40% of people identified as feeling confident at the start, and 79% by the end.
Beacon This project supports local organisations to be more user-led, sustainable and innovative, which increases the activities and opportunities offered to people with a learning disability.	3,031 people (in 15 Beacons and 77 role model clubs).	The two Beacons who have just completed the programme, South Wiltshire Mencap and Wirral Mencap, reported an increase in the range of activities, and an increase in the number of people participating in the wider community.
Link Me This project supports older people with a learning disability to access activities in their community.	81 people.	<ul style="list-style-type: none"> • 88% of participants described themselves as feeling happier, healthier and more independent. • 52% of participants also reported they felt less lonely.
Sidekicks This project supports people in our services to access opportunities in their communities.	347 people.	An evaluation will be carried out next year.

Case study

Danni wants the same opportunities to socialise as anyone else. But like many people with additional needs, getting the chance can be difficult. With Mencap’s support, she’s been able to get out more and meet new people.

After signing up with Mencap’s peer-to-peer programme – Best Buddies – 22-year-old Danni was matched with 17-year-old Siggy, who has offered support and friendship as a volunteer. Here, Danni and her mother Becki tell us about the difference this has made.

Danni: I am sociable and I’m trying to be independent. I wanted to socialise a bit more but I needed some support.

Becki: Danni has autism and is very isolated, and like any teenager or young adult, she wants to go out with friends. Sometimes it feels like she’s denied that. The peer-to-peer programme gets her out and doing things. That little extra time with somebody different makes all the difference.

Danni: Siggy is my friend, we get on well. We’ve been swimming, ice skating and camping. I get to chat more and be sociable.

Becki: Confidence-wise, she’s better. Danni talks to people a lot more and speaks up for herself. She’s always wanting to do something now, even things that I wasn’t sure she would want to do.

When they went ice skating, I wasn’t sure she’d be up for. But she went right over that



boundary, had a go, and did it. So that’s nice for her to try something different.

Danni: In the future I’d like to try choir singing, go for walks on the beach, and go to restaurants. Lots of new stuff.

Becki: Without this peer-to-peer programme, I think Danni would be pretty lost. It’s amazing what they’re doing. For all the vulnerable people that don’t get the chance to have a social life it’s fantastic.



By 2020 we want to see an increase in the skills and understanding of healthcare professionals so that health outcomes for people with a learning disability improve.

Why is this important?

On average, the life expectancy of women with a learning disability is 29.3 years shorter than the general population; and the life expectancy of men with a learning disability is 22.8 years shorter than the general population.⁶ In addition to this, nearly 40% of deaths of people with a learning disability in hospital are avoidable.⁷

In order to improve the health of people with a learning disability, we want to see a substantial improvement in healthcare workers' understanding of learning disability so that they can deliver high quality care for everyone. This is a long term priority for us and we will keep fighting for change until people with a learning disability get the healthcare they deserve.

2020 goals

By 2020, we will have:

- improved the understanding and skills of healthcare professionals who work with people who have a learning disability
- supported healthcare professionals to have a health system that encourages them to provide quality healthcare to people with a learning disability
- improved the knowledge and awareness of people with a learning disability and their families, carers and supporters around their rights to reasonable adjustments.



A reflection on this priority area

“We’ve had an incredibly busy and memorable year, one which saw the launch of our exciting new health campaign, *Treat me well*. We are delighted that local campaign groups, led by people with a learning disability and their families, are forming up and down the country. And we are encouraged by the important relationships we have struck with key NHS organisations who can make a real difference – tackling the healthcare inequalities faced by people with a learning disability. We have also continued developing and delivering our training on learning disability for medical professionals. We’re really looking forward to building on all we’ve achieved so far.”

Daniel Scorer,
head of policy and parliamentary affairs
Sarah Gilbert,
head of campaigns and activism



⁶ The Learning Disabilities Mortality Review (LeDeR) Programme Annual Report (December 2017). <http://www.bristol.ac.uk/sps/news/2018/leder-report.html>
⁷ Heslop, P., Blair, P., Fleming, P., Hoghton, M., Marriott, A., & Russ, L. (2013) Confidential Inquiry into premature deaths of people with learning disabilities (CIPOLD): Final Report. Norah Fry Research Centre. <http://www.bristol.ac.uk/media-library/sites/cipold/migrated/documents/fullfinalreport.pdf>

What we have done this year

1. Began a three-year campaign, *Treat me well*

Treat me well, our new three-year health campaign, launched in February 2018. The campaign aims to transform how the NHS treats people with a learning disability in hospital. We know that many people still don't receive the healthcare they need, and that simple changes – reasonable adjustments – can make a big difference. Reasonable adjustments include better communication, more time and clearer information.

In July 2017, ahead of the public launch of *Treat me well*, we started working with campaigners so that some people with a learning disability could start forming campaign groups, gain an understanding about their rights in hospital, showcase their work and meaningfully engage with and influence decision-makers during the launch of the campaign. We worked closely with a core group of network partners to plan the local *Treat me well* campaign and content, and we collaborated with these partners to deliver a big and visible campaign launch, with network partners hosting launch events across the country and also attending and co-chairing the national launch event in London.

We began the campaign with over 80 internal Mencap launch parties across England and Northern Ireland and a national launch event hosted by the Royal College of Nursing, which was attended by senior representatives from several key NHS organisations.

There have been three key elements of our campaign this year:

1) Establishing campaign groups to create a network of local activists who will work to improve hospital care in their area.

We have set up *Treat me well* campaign groups in 12 hospital trust areas. We will increase this

over the next two years, eventually influencing practice in 75 different NHS Trusts in England and Northern Ireland.

2) Empowering people with a learning disability to know the support they are entitled to in hospital, and to be more confident to ask for it.

We delivered local 'know your rights' sessions to over 200 people with a learning disability, their families and carers in each of our 12 target areas, and developed empowerment resources for anyone to access on our website. These include information on what reasonable adjustments are, and how an individual can make sure they get the support they need in hospital. We know from evaluation information so far that both our 'know your rights' events and the campaigning workshops are having a positive impact:

- 94% of attendees were able to mention a related campaigning action they should do.
- 70% of attendees said they feel they are capable to do the action.
- 89% of the received answers showed that participants have increased confidence.

3) Influencing national decision-makers to see the need for strategic focus on learning disability, particularly around education and training of healthcare professionals.

This work went public at the launch event, but months of preparation behind the scenes have secured high-level support from all of the key organisations that run the NHS. Our campaign report provided new data and real-life stories that show the need for learning disability training for all those working in hospitals, and for national leadership to make this happen, and has been received very well. This influencing work will continue in the form of a brand new Learning Disability Health Strategic Working Group. The group will be formed of our key partners in the NHS, people with a learning

disability and families and carers, coming together to achieve change in tackling health inequalities.

You can read more about *Treat me well* on page 36.

2. Developed our health training offer in England

We are the only organisation to have developed and piloted learning disability-related training with medical professionals following the publication by Health Education England of their Learning Disability Core Skills Framework. We have tested delivery models, investigated financial sustainability options and developed a 'practice network' to promote ongoing engagement. Participants from our initial 2016-17 pilot were surveyed this year and feedback included: **"Brilliant. Inspiring. Feel motivated and equipped. Brilliant balance of learning disability teaching and training / facilitator skills."**

We will have full findings from the evaluation later this year.

This year we have:

- delivered a 'facilitator' training package to 43 key stakeholders from NHS Trusts who will be responsible for championing best practice
- tested an approach to engage doctors that focuses on law and ethics, including legal requirements such as the Mental Capacity Act (MCA), as we know that participants find this very valuable. Doctors play such a significant role in the quality of healthcare that people with a learning disability receive – and have typically been harder to reach. The course was formally launched in January 2018 and we are working with our contacts in NHS Trusts to try and secure further MCA sessions with doctors.

We used the learning from our delivery and from academic research to develop the *Treat me well* standards for training, which were launched as part of our campaign report.

3. Worked with the All Wales Forum of Parents and Carers (AWF) and Cartrefi Cymru to provide training

We have completed the delivery of our health training to all of our personal support staff in Wales. This builds on the principles of the 2014 Learning Disability Care Pathway. It empowers support staff so they understand the support people with a learning disability should receive in an acute hospital setting, and can hold hospitals to account to ensure it is received. Training forms part of our core induction for all of our support colleagues in Wales in order to ensure this standard is maintained.

We are committed to increasing the knowledge of the care pathways and this year we have offered our in-house training to other organisations. We began working with the AWF, which is the national carers organisation for parents and family members of people with a learning disability. We have also partnered with Cartrefi Cymru, the largest learning disability support provider in Wales.

We agreed with these organisations a target of 1,000 people who would be trained by them in 2017/18. However due to their staffing issues and a request to adapt our interactive training video to make this appropriate for unpaid carers, training through these organisations didn't start until the third quarter of the year.

As the training is not delivered by our own team, we are reliant upon the partnership organisation delivering the training and ensuring their colleagues complete the evaluation. To date, 188 people have completed the training and the evaluation but although we haven't met our target numbers

we are pleased with the responses received:

- 91% of attendees reported they felt clearer about the care pathways.
- 89% of attendees felt more confident to challenge around the care pathway.

4. Promoted our Don't Miss Out initiative

While our focus is on secondary care, we also ran a project with NHS England, 'Don't Miss Out'. This was aimed at getting more people registered with their GP as having a learning disability so that they could get better support.

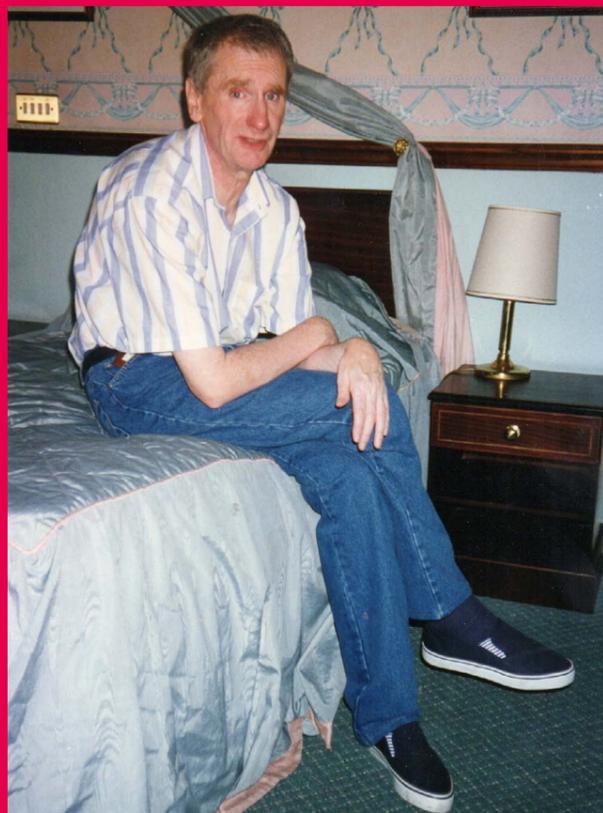
We do not track numbers held in GP practices, but recent NHS England figures show a 17% increase in the number of Annual Health Checks delivered each year.⁸ You have to be registered as having a learning disability to receive an Annual Health Check, so this might indicate that more people with a learning disability are now registered as having a learning disability with their GP.

This project had significant reach:

- More than 700,000 people were reached through social media.
- The website dedicated to the initiative has had over 10,000 unique views.
- There have been 3,600 downloads of the materials.
- Mencap network partners reached over 500 people with a learning disability face to face.

⁸ NHS Digital (2018), Learning Disabilities Health Check Scheme, England, Quarter 3, 2017-18, Online publication available here: <https://digital.nhs.uk/data-and-information/publications/statistical/learning-disabilities-health-check-scheme/learning-disabilities-health-check-scheme-england-quarter-3-2017-18>

Case study



“It’s just thinking about what a person will need and remembering everybody is different.”



Ronnie missed out on the support he needed when he was in hospital. He was fed incorrectly and his communication needs were not understood. Ronnie’s story, like many others, highlights the need for our new campaign, *Treat me well*.

Here, Ronnie’s nieces, Karen and Jen, describe what happened:

“Our Uncle Ronnie was a real personality who adored barge holidays and Saturday nights with a takeaway. He had a severe learning disability and didn’t have much language, and he needed a lot of support with his OCD. Change was upsetting for him, he needed total stability from people who understood him.

“In 2015 Ronnie went into hospital with a suspected urine infection and stayed there for two months. The issues began immediately. Ronnie was moved to six different wards during his first fortnight. He was in pain, he was scared, and they just didn’t know how to deal with him – but they weren’t listening to anything we or his support workers suggested.

“We saw that Ronnie was being fed incorrectly; he needed support to eat as he was at risk of swallowing food the wrong way. On day seven we found out he was being treated for pneumonia – a throwaway comment from one of his nurses. Pneumonia can occur easily if food is ingested into the lungs and we think this is probably what happened to Ronnie.

“The hospital staff did not take his specific needs into consideration. For example, his favourite items were his zips. He used to sit, zipping and unzipping – it soothed him. But

during one of the many ward moves, they lost all his possessions – including his zips. It might sound insignificant, but without his zips Ronnie began lashing out, and simple things like putting an oxygen mask on him became impossible. But the attitude from staff was, ‘they’re only zips’.

“Eventually, Ronnie was discharged, but he was never the same again, and he died a year later. Training on learning disability and reasonable adjustments should be compulsory for all staff: from the doctor to the person who brings the teas and coffees. Reasonable adjustments don’t need to be huge things to work. It’s just thinking about what a person will need and remembering everybody is different.”

Treat me well aims to transform how the NHS treats people with a learning disability. It is focused on finding solutions to healthcare inequalities in hospitals, and bringing about practical changes, so people with a learning disability always get the treatment they need and the equal access to healthcare they deserve.



Our new campaign to transform how the NHS treats people with a learning disability

Did you know that **1,200 people** with a learning disability **die avoidably** every year? This shocking statistic highlights the poor healthcare that many people face. But it doesn't have to be this way.

What we want to achieve

We're calling for real change, so people with a learning disability always get the treatment they need in hospital. That means making simple adjustments to care: better communication, clearer information and more time.

The *Treat me well* campaign launched at a national event hosted by the Royal College of Nursing on Thursday 15 February. But this is just the beginning – we have big plans, and even bigger ambitions.

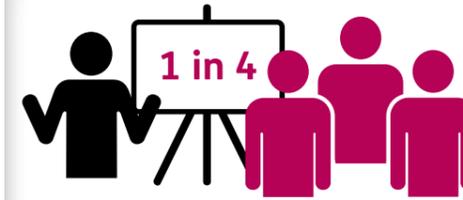
How we will make it happen

Over three years, we will:

- Empower people with a learning disability, family members and carers to know more about their rights to good hospital care.
- Work with healthcare professionals to make sure they make the right adjustments for people with a learning disability in their care.
- Support local campaigners to call for change in their local NHS hospital trusts.
- Lead a national call for all healthcare professionals to be trained in how to treat people with a learning disability in hospital.

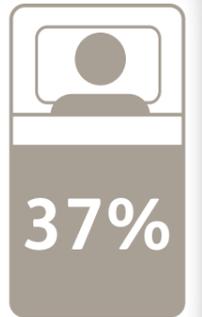
What healthcare professionals tell us:

59% of healthcare professionals think the issue of avoidable deaths does **not receive enough attention from the NHS.**



Almost a quarter (23%) of healthcare professionals have **never attended training** on meeting the needs of people with a **learning disability.**

Over a third (**37%**) of healthcare professionals think quality of **healthcare** received by people with a learning disability is **worse than that received by people without a learning disability.**



Only **34%** of hospital trusts routinely offer longer appointments for patients with a learning disability.



Two-thirds (66%) of healthcare professionals **would like more training** focused on people with a learning disability.

What people with a learning disability tell us:



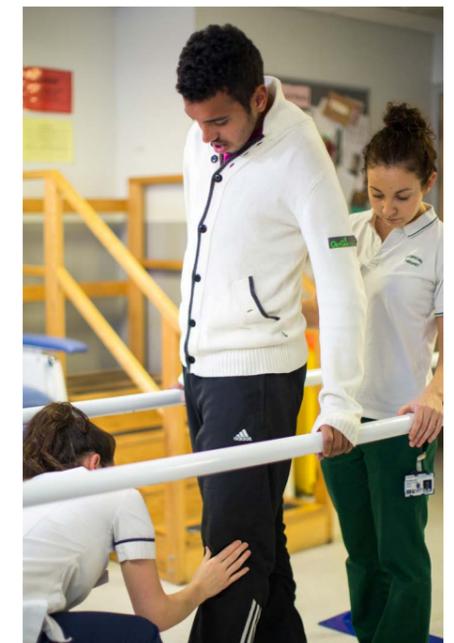
Over 1 in 5 (21%) of people with a learning disability think that healthcare **staff are bad at explaining things** to them when they are at the hospital.

55% told us that having more time in appointments would improve their experience.

75% of people with a learning disability said their experience of going to the hospital would be improved **if staff explained things in a way that was easy to understand.**



"I wish the doctors could have told me what was happening and why – it's what anyone should expect. I hope staff get better training in the future to make sure they communicate better with people with a learning disability." – **Desmond**





By 2020 we want more children with a learning disability, aged 0-5, to have better health and development, improved cognitive skills, and stronger social and interpersonal skills – and families must have access to the support they need to raise their child independently.

Why is this important?

We want every child with a learning disability to have the best start in life so they have a fulfilling future. We know the right early support makes a critical difference to a child's life chances and lays the foundation for their health, happiness and achievements. Families are key to ensuring children get this support – and supporting them makes the biggest difference to their child's life outcomes. Our research shows the inequalities people with a learning disability and their families experience often have their roots very early in life.⁹ As such, early intervention is crucial, positively affecting children's lives by developing their adaptive skills and strengthening families, giving them the tools to support their children to develop and thrive.

Early intervention is the biggest development area of our strategy. When we launched Our Big Plan in 2015, we already had a thriving Children's Centre in Belfast but wanted to better understand the impact we were having and to extend this support. Families of children with a learning disability do not have enough access to early intervention and we were determined to understand why in order to change this.

2020 goals

By 2020, we want more:

- children to have access to early years support
- families being supported to build their resilience and capability in the early years.

⁹ Mencap (2016) Almost two-thirds of parents miss social engagements due to fear of public reactions to their disabled child. Press release. Available online: <https://www.mencap.org.uk/press-release/almost-two-thirds-parents-miss-social-engagements-due-fear-public-reactions-their>



A reflection on this priority area

“We have been learning from our experiences of supporting children and families at our Children's Centre in Northern Ireland. And we've been sharing that experience to generate debate across the UK about the kind of practical and emotional support parents and children need in those first few years. We call it Creating Brighter Futures.

This year we, have continued to work in partnership with the University of Kent and Warwick University to really test the Early Positive Approaches to Support (EPATs) parenting support programme as a core element of our support to parents of young children.

We have been continuing to test our programme of work with Belfast Health and Social Care Trust, supporting the developmental milestones of young children and to map and understand children and families' experiences so we can change the system.

Next year, we want to continue to test new programmes and approaches so they can become part of our core support to families, and we want to encourage a bigger debate with parents, practitioners, policy makers and funders on how we make visible the needs of children with a learning disability and their families across the UK. Then we really can begin to create brighter futures for all children.”

Margaret Kelly,
director of Northern Ireland

What we have done this year

1. Supported children

This year we supported a total of 158 children with a learning disability. We have not met our original target of 200 due to a change in how we record the total number of attendances over the year. This decision was made because of the way the calendar year falls in relation to the children attending the nursery, which previously meant the total included two separate year groups. As a result, we now reach a figure that is a more accurate representation of the time period we are reporting on.

We delivered our Early Years programme in our Mencap Children's Centre to 52 children with a learning disability. The Children's Centre supports young children with their earliest developmental milestones.

We are using the Highscope Child Observation Record assessment tool to measure the effectiveness of our support. Outcomes from last year are positive with all children improving by at least one measure in any development area, and 98% improving in four or more of the eight developmental areas. This is early evidence and we will continue to collect outcomes data to better understand our effectiveness over a longer period.

We compiled an internal report *Measurement of the developmental outcomes for children at Mencap Children's Centre*, which reports on the progress of 50 children aged 2-3 with global developmental delay. We were able to show progress and outcomes in relation to a range of cognitive, physical and social abilities. These include:

- Nearly two thirds of children (62%) showed improvements in their ability to resolve social conflicts.
- Over two thirds of children (68%) progressed in using their fine motor skills.

- 58% of children showed improvements in using their gross motor skills.
- 58% of children demonstrated progress in understanding language.
- 42% showed improvements in expressing themselves using language.
- Over two thirds of children (68%) improved in both identifying, naming and describing shapes; and in recognising spatial relationships among people and objects.

We have also reached 56 children through summer schemes at the Children's Centre, which offer various activities including music and sensory sessions and messy play. We reached a further 50 children through family fun days. These events were an opportunity for families who participated in the Early Positive Approaches to Support programme (EPAtS, see below) to meet others in their position, and included a range of inclusive activities such as sensory play, music therapy sessions, storytelling, arts and crafts, face-painting and a petting zoo. 97 people attended, representing 27 families in total.

2. Rolled out EPAtS (Early Positive Approaches to Support)

Last year, with the University of Kent, we piloted EPAtS, which is a newly developed early developmental support programme, to families and carers in Northern Ireland. EPAtS is one of the only parenting courses aimed specifically at parents of children with a learning disability, free at the point of access, and co-delivered by parents of a child with a learning disability. This year, we have built on the success of the pilot and to date have delivered nine EPAtS programme courses in Northern Ireland and two courses in England, reaching 86 families (70 in Northern Ireland, 16 in England).

3. Developed our family support

This year's evaluation of EPAtS generated really promising results, reducing child-related behavioural concerns and outcomes that were suggestive of positive effects on confidence and self-belief in parenting. This is based on the first-year data and with a relatively small cohort. Next year will see us deliver a bigger feasibility study where we will learn more about the impact of the intervention.

A snapshot of EPAtS feedback from parents in Northern Ireland who did the course:

- 100% said they found the course useful overall.
- 100% said they would recommend EPAtS to a family in a similar situation.
- 96% confirmed they would like to meet other members of their group once course completed.
- EPAtS groups retention rates: 91%

We see EPAtS as a basic, universal offer suitable for all parents. As we continue to build our knowledge of the different levels and types of support that families of children with a learning disability need, we are developing our approach with the aim of building a flexible, holistic family support offer to meet the different needs of parents, with EPAtS forming one option available. Overall, we had 650 (non-unique) attendances at the parent programmes and family fun days throughout the year.¹⁰

4. Research and policy

This year, we have been mapping the policy landscape about what early intervention exists for families, and identifying barriers to support. Armed with this knowledge and an understanding of the variations in regional funding and referral pathways, we hope to develop a policy and influence strategy so that early intervention solutions for learning

disability are funded and implemented.

We know there is very little support available to families of young children with global development delay and/or learning disability. In a climate of significant funding cuts, families have found universal services under pressure, and therefore finding services that are bespoke to their needs is incredibly difficult.

We held an event in the Northern Ireland assembly, *Creating Brighter Futures*, which brought together over 100 senior policy-makers, practitioners, commissioners and politicians to hear about why early intervention matters for children with a learning disability. Our *Mencap Northern Ireland Creating Brighter Futures* paper highlights why early intervention is important and what Mencap is doing in Northern Ireland to improve outcomes through development of an evidence-informed early intervention framework, and makes recommendations for wider policy and practice.

We have continued our work with the Disabled Children's Partnership and been deeply involved in the policy work of their upcoming campaign, which will focus on securing more health and social care support for disabled children.

We have also begun joint research with the University of Warwick to identify barriers to mainstream early years support. We are jointly supporting a three-year PhD studentship to undertake a mapping exercise of parents' access to both mainstream and specialist services for young children with a learning disability in England, Wales and Northern Ireland.

All of the above should enable us to gain a comprehensive view of the issues facing children with a learning disability, meaning we can then focus our influencing activity so it is evidence-based and as targeted as possible.

¹⁰ Please note that parents could attend more than one workshop.

Eoin attended the Mencap Children's Centre in Belfast last year. We spent time with this very determined little boy and had a chat with his mum about how Mencap Northern Ireland has helped Eoin and his family.



“We knew Eoin was happy at Mencap and so well looked after, this made it much easier to leave our precious boy every day.”



Eoin is a very happy, content and determined little four-year-old boy. He loves music and lights and really enjoys spending time in the company of other children. Eoin has an extremely rare, genetic condition called Cri du chat syndrome.

Eoin's condition means he has severe developmental delays, and very complex medical needs requiring round-the-clock specialist care. Eoin lives with his mum, Ann-Marie, his dad, John, and his brother and sister, Jay and Aine.

“When Eoin was 2, our community nurse told us about Mencap and that there was a possibility Eoin would be able to go to the Mencap Nursery. Eoin was luckily offered a place and honestly, it's been the best thing that's ever happened to him and our family.

“After the initial few weeks of settling in, when I carried him through the front doors each morning, his face lit up. When he saw his keyworker, he wanted to reach up to her face

and give her hugs – he had never done this before. It sounds like something so small but for us, it was huge. We knew Eoin was happy at Mencap and so well looked after, this made it much easier to leave our precious boy every day.

“Since Eoin started at the Mencap Children's Centre, I've received the most support I've ever had. Mencap encourages peer support and it's been great to meet with other parents who are going through similar things. I have made long-lasting friendships with the most supportive people. Together we laughed, cried, learned and everyone has been an amazing support to one another. I wouldn't have found this without Mencap.

“I began to feel that I could have a life for myself again. I applied for a new job, which I love, and I couldn't be happier with how things are working out. I will always be grateful to Mencap for everything they have done for Eoin, for me, and for our family.”



Employment



By 2020 we want more people with a learning disability to have real jobs in the open labour market, and for more employers to know that people with a learning disability make good workers when supported properly.

We know there is an unacceptable lack of data about the employment rate of people with a learning disability in the UK. The data we do have is significantly out of date and only refers to people known to services, therefore missing a vast amount of the population who are likely to have a mild learning disability and may not receive any support. We also know that with the right support, many people with a learning disability can achieve long-term paid employment with progression opportunities, become more independent and live fulfilling, happy lives.

This year, we have spent time considering the change we want to see, and as we begin to develop and establish our long-term employment strategy we know that there are key issues we need to address. This includes ensuring the sustainability of our own delivery, improving our knowledge through research and evaluation, and using this information to influence change.

This year we supported over 2,600 people



A reflection on this priority area

“This year, we have taken significant strides in developing new and sustainable funding, and have established new routes into work for people with a learning disability. We’ve recognised that we could have the greatest impact and influence by focusing on those transitioning from education into employment, and as such have developed the Three Ships provision that comprises apprenticeships, supported internships and traineeships. As part of this, we have worked closely with colleagues from across Mencap to support the recruitment of apprentices. We are working with the Department for Education in relation to this, and we are seen as leading the way in terms of making apprenticeships accessible.

We have also been working on ensuring that we have accurate and detailed data on our delivery, outcomes and the journey taken by the people we support. This has included the introduction of a process to begin monitoring the wider impact of our delivery. We continue to work with a varied range of employers and look forward to developing this. It’s been a very positive year!”

*Jason Hardman,
head of lifestyles and work*

*Mark Capper, head of development
(lifestyles and work)*

What we have done this year

Continued to deliver supported employment to people with a learning disability

Mencap has a longstanding history of supporting people with a learning disability into work through a supported employment approach. This is mainly funded through local authorities. However, there is no statutory requirement for local authorities to support people with a learning disability into work, and as budget cuts have deepened, there have been fewer opportunities for us to capitalise on.

Despite this, we continue to grow our work and this year have supported over 2,600 people. This support has resulted in 284 paid jobs with organisations like Marks & Spencer, Sainsbury's and the Financial Times. Other outcomes for people we have supported include voluntary placements, work experience placements and work trials. Through our impact work, we have also been exploring ways we have increased the confidence and wellbeing of the people who have received support from our services.

Contributing to our continued growth is the success of our teams securing financial support from private donors, including a transformational 5-year grant from the City Bridge Trust. This grant will see us reach over 100 people with a learning disability and at least 150 employers in London, helping them become more accessible and inclusive.

We have also had great success working with donors across areas such as Manchester, Worcester and Yorkshire. Through this work, we have reached over 90 people with a learning disability this year and multiple local employers.

Developed our delivery of the 'Three Ships'

We have made considerable progress in taking forward our 'Three Ships' model. This is growing our influence around supported internships, traineeships and apprenticeships, which are funded by the Education and Skills Funding Agency (ESFA) and support sustainability of our employment delivery.

Supported internships

A supported internship is a 12-month programme that offers an alternative route into work for 16-25 year olds with an Education, Health and Care plan (EHC) by offering unpaid work placements rather than college courses. Work placements can be facilitated anywhere and have included local authorities, cafes, libraries and a theatre. We have been delivering internships successfully in recent years through relationships with colleges, but this year we secured a direct contract with the ESFA, giving us more scope to provide support to those on the programme. We have recruited 49 interns and we are in discussion with the ESFA to expand provision in the near future.

Traineeships

Traineeships are unpaid work placements for 16-24 year olds lasting between 6 weeks and 6 months with a likelihood of a job or apprenticeship at the end. We have been successful in securing a contract with the ESFA to deliver traineeships to 19-24 year olds since November 2017 and since then over 70 young people have enrolled on the programme.

Apprenticeships

Apprenticeships are available for all ages and offer paid placements with on and off-site training. The introduction of the employers' apprenticeship levy in England created a great

opportunity for us to support more people with a learning disability, but apprenticeships have challenging English and Maths entry requirements that often create barriers for people with a learning disability. We have worked hard this year to successfully call for lower entry requirements for people with an EHC plan, making this key strand of work more accessible for people with a learning disability.

We continue to support and locate apprenticeship placements, and as an organisation we have become an accredited apprenticeship provider. We are currently recruiting apprentices to work directly in Mencap and so far we have recruited 20 apprentices who are working in various roles in teams including finance, HR and policy. As this year has been spent focusing on delivery of these programmes and most placements are still in progress, data collection and evidence to support the positive changes that are expected is still being gathered. Next year, after the programmes have completed, we hope to be able to report on the positive outcomes we have seen for the individuals we support.

Research and influencing

We know that our own provision will only ever be able to provide support to a small number of the working age population. We must, therefore, ensure that our influence reaches further than our own provision and use learning from our own delivery to make employment support available to a wider range of people with a learning disability. As it stands, most employment support and training are only accessible to small cohorts. For example, supported internships are only available to people aged 16-25 with an EHC plan, which we know is a very small proportion of people with a learning disability.

The government has acknowledged that more needs to be done to support people with a learning disability into work. However,

so far, the focus has been on those in receipt of Employment Support Allowance, known to social services and with a legacy statement or EHC plan. Mencap believes that this focus is wrong and that more needs to be done to ensure everyone with a learning disability who needs support to access employment will get it. Key to this is understanding how people with a learning disability are currently identified, how they are getting support and what their experience of this support is.

We have aimed to answer some of these questions over the last year. We conducted interviews with people with a learning disability and sent freedom of information requests to the Department for Work and Pensions and local authorities. These findings have helped us to develop our thinking and we are looking to build on this in the new year with a focus on further research and policy development.



Case study

After spending six years looking for work, Adam Pinder, who has a learning disability, was worried he'd never be able to find a job. With Mencap's support, he's now enjoying the benefits of employment and thriving with greater independence.

Adam, 26, has attention deficit disorder (ADD), Asperger's syndrome and mild dyspraxia. His mum, Sue, said: "In the past, it seems employers have backed away from hiring Adam because they didn't understand his problems. It was a bit disheartening."

With the support of our Employ Me team, Adam recently got a job at Asda in Hull and is going from strength to strength.

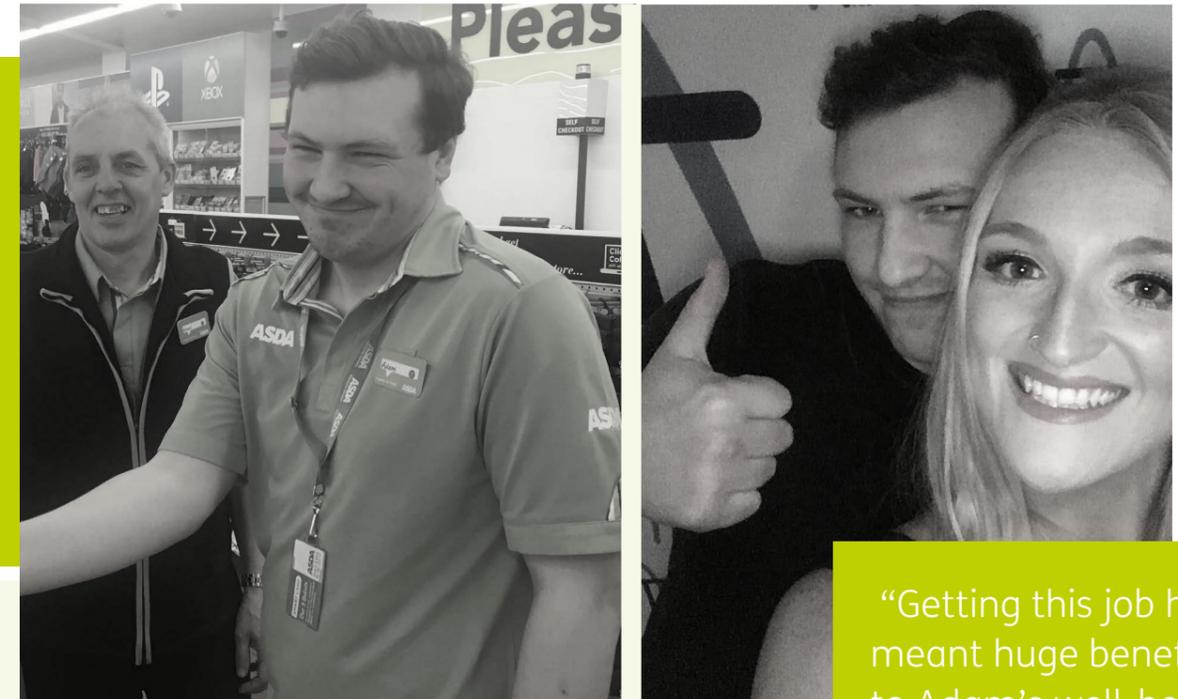
"I'm really enjoying working at Asda," said Adam. "My favourite thing about the job is interacting with people. I get on well with customers and colleagues who are always available if I need help, and I've made friends too."

Adam's ADD and dyspraxia causes him to fidget, and as part our support we found an effective solution to this – a fidget cube. This helped Adam focus when sat down for periods of time without getting distracted. We also worked closely with Asda to make reasonable adjustments in Adam's interviews that accommodated his difficulty with handwriting.

"Getting this job has meant huge benefits to Adam's wellbeing; his confidence has risen and he's much happier," said Emma, Mencap employment coordinator. "Asda, with ongoing in-work support from myself, have adjusted his daily tasks so he can fulfil his full potential when working. This included agreeing on working hours that suit Adam's need for a fixed routine."

"His friends and family have commented that it has been amazing to see such a positive difference in Adam, who they always knew would be great in a retail role. Work has given him a real sense of purpose and pride."

The store's replenishment section manager Julia Ragbetli interviewed Adam for his job. She said: "Colleagues and customers love him. He loves his job and is so enthusiastic."



"Getting this job has meant huge benefits to Adam's well-being"
Emma, employment coordinator



Our plans for next year

Priority area	Plans in 2018/19
 <p>Reducing stigma and discrimination</p>	<ol style="list-style-type: none"> 1. Continue to deliver the All In Award to 400 more children with and without a learning disability. 2. Continue to challenge stigma through delivery of our Motivate project in Wales. 3. Train an additional ten people to become Mencap spokespeople. 4. Launch a nationally representative survey into the experiences of people with a learning disability of stigma and discrimination.
 <p>Social care</p> <p>This priority area was previously named 'Making a difference, here and now'. We have changed this to specifically focus on social care.</p>	<ol style="list-style-type: none"> 1. Pilot a quality of life survey in our services, gathering the experiences of 200 people we support. 2. Undertake an audit of the use of psychotropic medication across our service. 3. Use our information and advice services, along with our legal support, to improve provision of social care.
 <p>Supporting friendships and relationships</p>	<ol style="list-style-type: none"> 1. Reach over 100 people with a learning disability through our sex and relationships project with the Family Planning Association, 'Me and My Body'. 2. Deliver sex and relationships training to all our services, and launch our organisational messaging on sexuality in February 2019. 3. Reach over 30 people with a learning disability through our Buddy pilots. 4. Reach a total of 1,850 people through our projects that promote greater choice and control including Round The World Challenge, and the Gateway Award.

Priority area	Plans in 2018/19
 <p>Improving health</p>	<ol style="list-style-type: none"> 1. Target 25 NHS Trust areas, challenging them to improve their provision of reasonable adjustments. 2. Reach 750 people through our Know Your Rights sessions and campaigns workshops. 3. Work with ten campaign groups across England to support them in developing and delivering healthcare training.
 <p>Early intervention</p>	<ol style="list-style-type: none"> 1. Support 52 children in our Children's Centre in Northern Ireland, and continue to scope options for delivery in England. 2. Roll out EPATs (Early Positive Approaches to Support) at four new sites and extend our family support offer in Northern Ireland (funding dependent). 3. Establish two local hubs for early intervention in England to raise the profile of early intervention support (funding dependent). 4. Implement our influencing plans in England and Northern Ireland.
 <p>Employment</p>	<p>Continue to understand the impact of our employment support.</p>

Reducing stigma and discrimination

Next year, as part of our work to shape attitudes at a young age, we will continue delivery of the All In Award – a project that delivers inclusive activities for children with and without a learning disability – to 400 more children. We will also continue to use our local authority funded day services ‘Motivate’ to challenge stigma through direct contact between people with and without a learning disability.

We will build on the successes of Here I Am, our 2016 awareness campaign, and continue raising the profile of people with a learning disability in the press. This includes delivering training for an additional ten people with a learning disability to become Mencap spokespeople, and increasing visibility in the media by ensuring as many stories and campaigns as possible are led by people with a learning disability.

We will identify our approach to measure the experiences of people with a learning disability, and their families/carers, in a nationally representative survey. The evidence will be used to inform our own delivery and interventions, and to support us in campaigning publicly.

Social care

We have changed our ‘making a difference, here and now’ priority to specifically focus on social care. Next year, we will develop our understanding of the impact our social care support has on people with a learning disability with an impact pilot. We will pilot a quality of life survey across our services, which will involve training at least 60 of our personal support colleagues, and working with over 200 people with a learning disability to undertake ‘quality of life’ reviews. In addition to our impact pilot, and to support

the implementation of STOMP LD (Stop Over-Medicating People With Learning Disabilities), we will undertake an audit of the use of psychotropic medication across our services and report on progress.¹¹

We want to ensure that more people with a learning disability get the social care they have a right to. Due to the huge financial pressures local authorities are under, this means that even when the law is clear on what support people are entitled to, local authorities can’t and don’t always meet their legal duties. As a result, people with a learning disability can be put at risk and are not able to live a fulfilling life. To respond to these challenges, we are broadening our ‘social care’ strategy.

We will use our information and advice services, along with our legal support, to influence quality of provision of social care locally and nationally and we will be developing this part of our strategy as we move into 2018.

Supporting friendships and relationships

Next year, our project Me and My Body will reach over 100 people with a learning disability, and 60 professionals and families will receive training in sex and relationships. We will also ensure all of our own services are trained in this area. To influence society and achieve the changes we want to see, we will continue to influence the development of the sex and relationship education curriculum in England, and we will launch our own organisational messaging on sexuality in February 2019.

We will complete our Best Buddies pilot, having supported 76 people with and without a learning disability. And we will be testing Gig Buddies across locations in England, reaching 30 people with a learning disability and 30 without, with the intention of extending the

delivery of this project. We know we have sites interested across England, Wales and Northern Ireland, but delivery is funding dependent.

We will support 900 additional people with a learning disability to enrol on the Round The World Challenge in England and will grow the project to work with an additional 9 employers and sports providers, increasing capability to support people with a learning disability in sport. We will work with two new Beacon groups to develop and extend opportunities for 110 people with a learning disability to increase friendships and relationships. Furthermore, we will increase the number of groups and services involved in the Gateway Award so participation grows to 700 people with a learning disability across England, Wales and Northern Ireland.

Improving health

Over the next year, our *Treat me well* campaign will focus on working in 25 NHS trust areas, challenging them to improve their provision of reasonable adjustments. We will run Know Your Rights sessions across the country, reaching 450 people and see 300 people attend campaigning workshops as part of a *Treat me well* campaign group. We will also use Learning Disability Week 2018 as a chance to engage healthcare professionals directly in the campaign – supporting local events in hospitals and producing online resources to help hospital staff to better understand reasonable adjustments.

We will work with ten campaign groups across England to support them in developing and delivering healthcare training to trusts across



¹¹ <https://www.england.nhs.uk/learning-disabilities/improving-health/stomp>

the country. We are aiming to achieve the Skills for Health Quality Mark and continue to build the practice 'network' of healthcare professionals that have already participated in the training and are committed to supporting the campaign.



Early intervention

Next year will mark our third year delivering the children's service in Northern Ireland. We will continue to support 52 children with a learning disability, aged 2-3, but also aim to pilot delivery to an older age group if funding can be secured. We don't intend to deliver direct support outside of Northern Ireland until we can understand the early intervention landscape better. So, next year in England we will focus on scoping this work and understanding regional context.

We will roll out EPAtS (Early Positive Approaches to Support) at four new sites and extend our family support offer in Northern Ireland (funding dependent). Alongside expanding the delivery of EPAtS in England, we want to scope the establishment of two local hubs for early intervention in England (funding dependent). These hubs will consist of families, practitioners and local decision makers across health, education and social care. The purpose of these groups will be to raise the profile of early intervention support for children with a learning disability and their families, influencing local change and testing suitable interventions.

Our influencing plan in England will be finalised at the start of the year, determining the early intervention influencing priorities and outcomes we want to achieve with evidence of appropriate solutions. The plan will be implemented this year.

Our influencing programme in Northern Ireland will focus on mapping key decision makers and influencers and outline the work needed to improve understanding of early intervention and families' access to services.



Employment

In 2018, we will review development of our employment strategy and begin to consolidate our approach in this area. In the meantime, an internal working group continues to explore some of the gaps in our knowledge so that we are in as strong a position as possible to deliver the strategy at a later date.

How we will achieve our goals

There are lots of things happening inside Mencap to make sure we are in the best shape we can be to achieve our goals. To do that, we need to be an organisation that is safe and well-run, and that lives our values, so we're well-placed to succeed. Here, we outline our enabling activity progress.

Growing a stronger network

To deliver our ambitious plan, we need a 'one Mencap' approach. This means working with our network of 406 organisations, including 296 affiliated Mencap network partners (local Mencap groups who have signed our partnership agreement). This will ensure we are as effective in our delivery, and our influencing, as possible. All of the network partners share our vision and values, whilst operating as independent charities with their own governance and strategy.

We continue to provide an online portal (website) to boost communication across our network, and enable more effective ways of dealing with queries through our network office. Furthermore, we have delivered 5 Big Day Out events (conferences) across 3 countries to 50 network partners, reaching a total of 477 people. These events were an opportunity for network partners to engage with each other and collaborate. By delivering these regionally rather than nationally, we saw more engagement than in any previous year.

Developing our collaborative capability

We know that when we work together, we can achieve more. That means collaborating with people we support and their families, partners, networks and with others who share our aims.

Over the last year we have continued to collaborate effectively with our network and develop ways we work together for the better,

as well as encourage more collaboration among our network partners.

Over 100 network partners and external organisations have collaborated, which has included the development of new friendships and relationships projects and local planning for the *Treat me well* campaign.

From feedback so far, we know that:

- 100% of organisations who have collaborated to deliver projects have reduced their costs.
- The Gateway Award has seen a significant reduction in its running costs by nearly 50% when it is delivered in collaboration.

Our delivery this year has been shaped by research – a data collection and mapping exercise. We have spent time looking at our own services and other learning disability organisations across England to understand local needs.

We have then used this information to determine the most impactful opportunities for collaboration. These projects have also been influenced by our 9 inclusion groups, totalling 88 people with a learning disability, who provide invaluable insight that shape new opportunities.

Next year we will deliver collaborative Round The World Challenge pilots in nine participation 'hubs' and work with network partners, Royal Mencap Society services, lifestyle and work and volunteering teams, community organisations and sports and leisure providers to plan and deliver the project. We will also aim to establish seven community fundraising pilots to look at how we can bring in more income working together.

To achieve our vision, we have to make the most of everything we have at available to us. This will mean working differently internally,

and externally. We've already made positive changes to our performance management and appraisal system, and in the year ahead we'll be building on the work we've already done to make absolutely clear to all of our people how and when they should be working collaboratively, and again monitoring and measuring the impact of this.

Income generation and fundraising activities

Our extraordinary supporters are vital to the work we do at Mencap. Without their continued generosity, we would not be able to deliver the transformative services that empower people with a learning disability to live their life to the fullest.

This year was an exciting one for income generation at Mencap. Our activities in local communities were enhanced with the introduction of a community fundraising team, who are supporting local people to fundraise through a range of exciting events and activities such as our Big Tea Party and Get Arty schools fundraiser. These and a series of new events will be coming to more villages, towns and cities in the year ahead.

We continue to benefit from the kindness of people who leave a gift in their will to Mencap. With £8m received this year, more of our supporters selflessly left a legacy donation to help improve the lives of people with a learning disability in the future.

We were pleased to welcome VF Ventures, the social enterprise arm of Vodafone Foundation to the Mencap family, who, in partnership with Golden Lane Housing, are working with us to create homes for people with a learning disability that include special adaptations to meet individual needs. The Zochonis Charitable Trust have also generously supported us in this area of work with a transformative donation of £250,000, setting the scene for the year ahead where we will be acquiring new funders for our housing work.

Every month, thousands of people up and down the country continue to donate their hard-earned money to Mencap. As a fundraising organisation, we are mindful of the need maintain the highest standards when undertaking our activities, and insist on the same from those raising funds on our behalf.

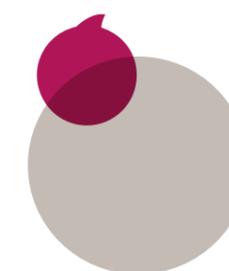
Our approach to fundraising consists of:

- direct marketing appeals to individuals who have already expressed an interest in Mencap;
- running charitable events for which participants raise money;
- encouraging people to participate in other events to raise funds on our behalf;
- community fundraising; and
- soliciting donations from corporate partners, charitable trusts and large individual donors.

We also encourage people to remember us in their will with a gift or legacy.

We use professional fundraisers occasionally as part of direct appeals, but not for unsolicited approaches or 'cold calling'. Other commercial participators are only involved as partner organisations fundraising from amongst their own staff, or encouraging their staff to fundraise on our behalf on a personal level.

We have undertaken to comply with the latest fundraising guidelines from the Fundraising Regulator and the Charity Commission, and this includes the Code of Fundraising Practice for the UK. Where people or organisations raise funds on our behalf, we require that they also complying with these standards. For individuals, this is through our fundraising guidelines, and for professional fundraisers it is included as a contract term. The trustees are of the view that during the year to 31 March 2018 we have been compliant with these standards, and we are not aware of any instances where those acting on our behalf have failed to comply.



Mencap's events and communities team provides those people raising funds on our behalf with a guide that sets out what we expect from them. The team maintains regular contact to provide them with support and monitor their activities and progress. Where we use professional fundraisers, calls are monitored directly to ensure our instructions and requirements are being followed, and regular feedback is provided. We also have a supporter care team which can be contacted by telephone or e-mail with any issues in relation to our fundraising activities. In the year to 31 March 2018, we received 10 complaints through this team or other channels. All complaints are logged and addressed appropriately, such as through internal training.

In order to protect vulnerable people and other members of the public, Mencap has an ethical fundraising policy in place; and a fundraising promise displayed on our website. We are careful to protect the private data of supporters, and give them clear options to stop being contacted by us. As part of our compliance with the Code of Fundraising Practice, we ensure our approach to fundraising is not unreasonably intrusive or persistent, and does not aim to solicit donations by pressuring potential supporters.

We take these steps to make sure that people have a choice about whether to donate to Mencap. These wonderful people, and all our supporters, are heroes. From everyone at Mencap, thank you for your ongoing generosity.

Improving the way we work

Mencap is committed to being the best possible place to work. Our colleagues deliver incredible services and we want to support them in every way we can. We work together across our internal enabling functions, including HR, IT and fundraising, to collaborate and make targeted improvements in the day-to-day working lives of our colleagues. We continue to be guided by listening to the issues that matter to our colleagues, helping us target and prioritise our work. We use

organisation-wide conversations, and other consultation and listening mechanisms to get these views; and the Investors In People (IIP) framework and assessment, to gauge our progress and performance.

Based on this feedback, we'll be focusing on developing our collaborative capability and the following three areas in the year ahead:

1. Information management

Our colleagues want joined-up systems, IT that works first time and good support to make the most out of digital tools. Above all else, they want to be able to spend less time on paperwork and more on the jobs they came here to do – supporting people with a learning disability. That's why we're dedicated to making improvements in our IT, as the potential benefits to the people we support are huge.

We're well on the way to connecting all of our colleagues and we will build in better ways to capture, store and share our data, providing greater insight into the impact we have on the lives of people with a learning disability. Reporting will be quicker, more accurate and an overall focus on data will enable us to use this more strategically and help us achieve our organisational objectives.

2. Employer brand and reward

A challenge we face is struggling to keep the colleagues with the qualities we need. Sometimes this is outside of our control, but there's more we can do to make sure we've got the best possible incentives to support them, and that includes being really honest about what working life at Mencap is like. We developed and launched a new approach to recruitment last year, and have embedded inclusive recruitment across the organisation in our *Work with feeling* campaign. Next year, we'll be building on our strong employer brand and refining our routes to keep attracting people who fit with our values. Your employer brand is what people think and feel about you as a place to work. We want to make

sure this is a true and attractive reflection of who we are, and what we offer, and that we are communicating this in a way that speaks authentically to the people we have, and the talent we want.

We've done a lot of work on our pay and benefits offer over the last year too, and we'll be rolling this out over the next year to make sure we're open and transparent about the way we reward people at Mencap. In the year ahead, we'll also be focusing on equality, diversity and inclusion – making sure that every one of our colleagues feels valued and involved, and we'll be developing new ways of listening to, and engaging with, our entire workforce.

3. Leadership

Our colleagues told us that leaders aren't always visible, and the way they work is not always consistent. We've done a lot of work over the last year to support our leaders to understand what we think leadership should look like at Mencap, and this year we'll be

rolling that out even further. This will include making clear to all our colleagues what their role is in delivering Our Big Plan so everyone can see how their work contributes to our strategic aims. We also formally introduced a set of leadership expectations to our most senior leaders. These are things we expect all our leaders to do, and will be monitoring and holding ourselves to account for these across the organisation in the year ahead. We'll also be extending our leadership training offer with new opportunities, developing career enrichment or development paths, and looking to create new ways to facilitate dialogue and two-way communication across the organisation.



A big thank you to all our supporters

2018 Virgin Money London Marathon Team
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Joshua Boughton at Blake Morgan LLP
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Deep RiverRock Belfast City Marathon
Department of Health Northern Ireland

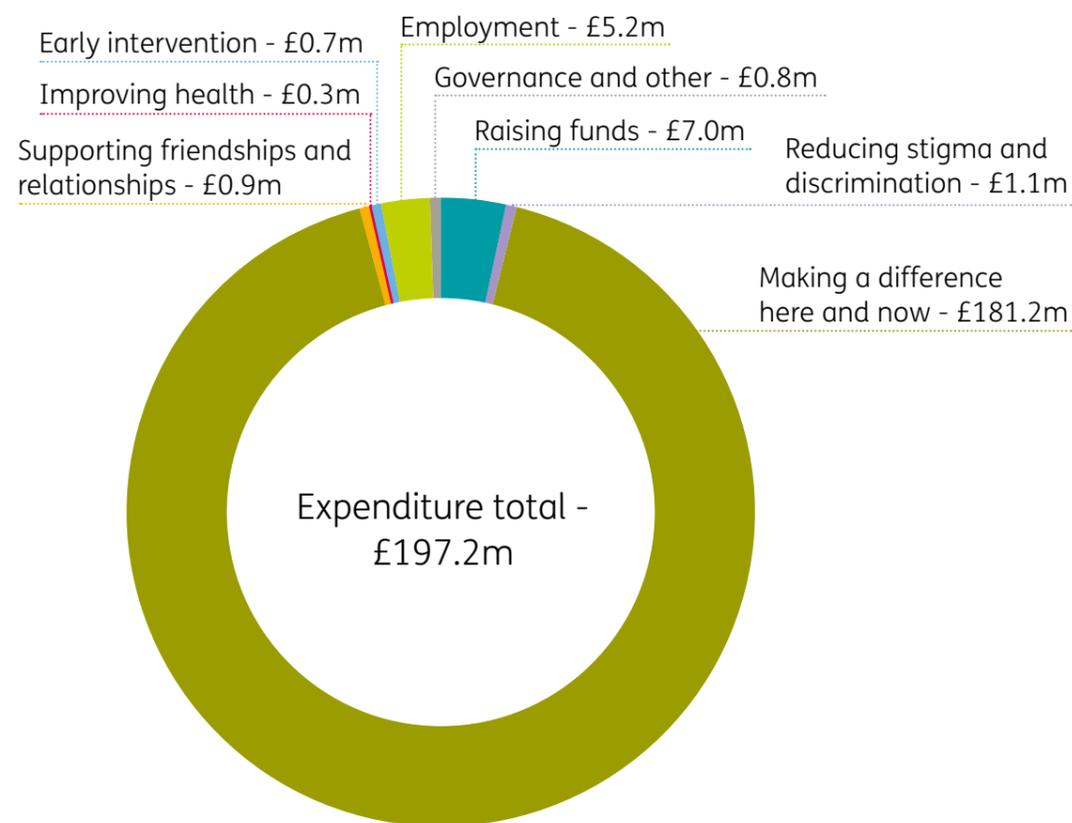
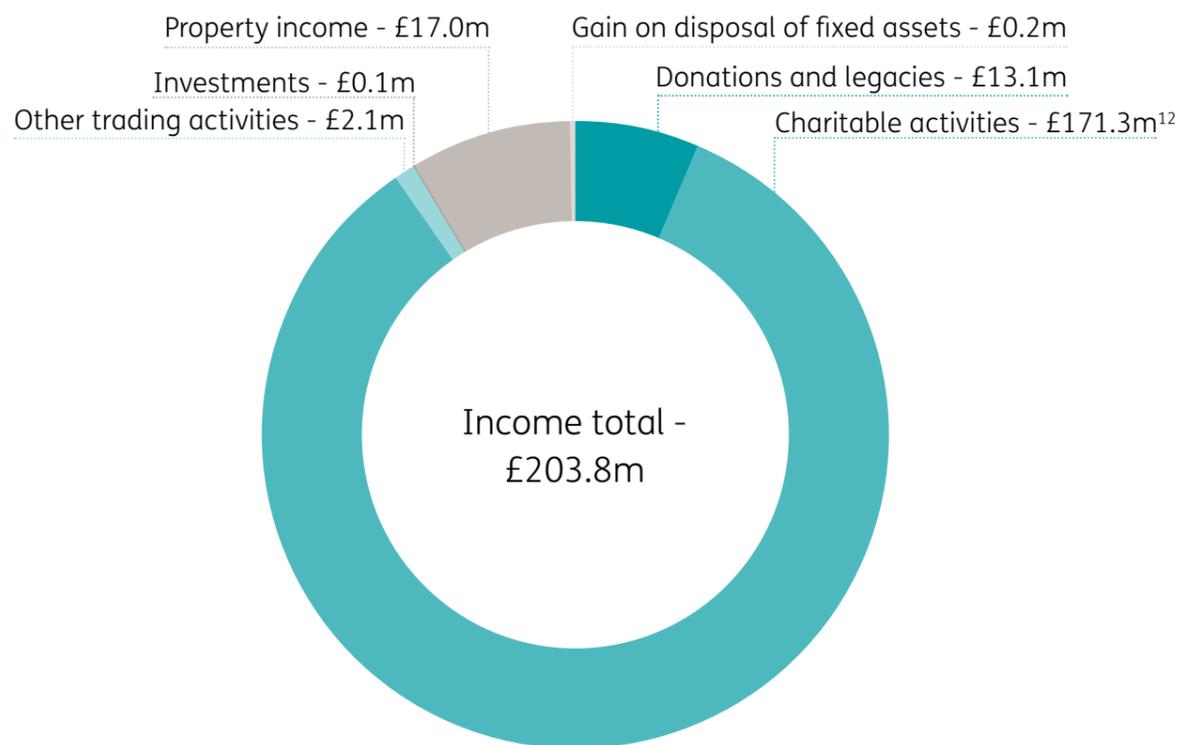
Fiona Dillon at Gunnercooke LLP
Drake & Morgan
DXC Technology
The Edge
Alexander Elphinston at Anthony Collins Solicitors LLP
ESF
Ann Farnill at Tallents Solicitors
Dennis Fee
Fielding Financial Group
Fixnetix
Fontsmith
Paul Fraser
Friends & Family of Mencap Centre
Julie Garbutt at Sintons LLP
Harold Gillelmon
Ty Glaser
The Goldsmiths' Company
Ronald Goldstein
Hayley Goleniowska
Jane Gordy
Sarah Gordy
Grand Opera House, Belfast
Grant Thornton
GymCo
Kit Harington
Emma Harper at Birkett Long LLP
The Harpur Trust
Emma Harris at Brachers LLP
Heritage Lottery Fund (Wales)
The Hillingdon Community Trust
Mrs Eleanor Holloway
Helen Honetball at Trowers & Hamlins LLP
Horizon Parking Ltd
Mat Horne
Hymans Robertson LLP
Institute of Directors Northern Ireland
Helen Jago at Palmers Solicitors
John James Bristol Foundation
Kaizen Collective
The Kathleen Laurence Charitable Trust

Brian Kingston
Land Securities Group plc
Nick Latimir at Coodes Solicitors
Mr and Mrs Philip Loney
The Lord Mayor's Appeal
Lorimer Trust
Paul Lowery at Boyes Turner
Chris Lyttle MLA
Magellan Aerospace
Dame Norma Major
Hywel Mason, Mason Brothers
MBNA Europe Bank Limited
Maeve McGibbon
McKenna's Bar Omagh
McKinty & Wright Solicitors
The McVitie Trust
Cariad Medway-Smith at Ellis Jones Solicitors
Mencap Special Events Committee
Katherine Miller at Renaissance Legal LLP
Alexandra Milton at Barlow Robbins Solicitors
Anne Minihane at Clarke Willmott
Stephen and Bonnie Morant
Tom Morrish at Morrish Solicitors
Nationwide Building Society
Nendrum College
NI Special Events Committee
NI Young Professionals Committee
The Oak Foundation
Liam O'Keefe
The Oliver Ford Trust
Oliver Plunkett Nursery School
Opemed Ltd
George & Liz Parker MBE, Parker Plant Hire
Pathway Fund
Sir Trevor Pears
The Pears Foundation
Simon and Suzie Pearson
Sally Phillips
The Potterspur Lodge Trust
Darren Price at Blake Morgan LLP

Edward Rees at Lanyon Bowdler Solicitors
The Rene Horton and Joan Parkin Charitable Trust
Rory Foundation
Spar 77 Retail
Neev Spencer
Kate Spicer
Sport England
St Anne's Cathedral Belfast Black Santa Appeal
Survey Monkey
Sweet Causes Ltd
The Swire Charitable Trust
Sir Hugh and Lady Sykes
Helen Taylor at Franklins Solicitors LLP
Techies in Residence
Tesco Newtownbreda
Thales
Theodore Roussel Memorial Trust
Kathryn Thornewill at Franklins Solicitors
U105
Ulster Bank Staff Charity Fund
USDAW
Vanquis Bank
VolkerWessels UK
Philip Warford at Renaissance Legal LLP
HRH The Countess of Wessex
The Westfield Health Charitable Trust
Jo Whiley
Caroline White
Jodie Whittaker
Lynn Wicks at Ashtons Legal
Rosie Wright at Franklins Solicitors LLP
Sir Alan Yarrow
Lady Gilly Yarrow
Young Professionals Committee
The Zochonis Charitable Trust



Strategic report



¹² Income from charitable activities primarily consists of project grants and receipts for the provision of direct service delivery within the Personal Support and Employment teams, including income from central and local government contracts.

Financial review

Group income

The largest part of Mencap's income (£171.3m) is made up of receipts for the provision of direct service delivery, and includes income from central and local government contracts. This directly supports 5,231 (5,421 in 2016-17) people through services that can range from support with living independently in the community or finding work, through to providing 24-hour care.

Our focus continues to be delivering support to the highest quality standard that we can, using the resources available as efficiently as possible. The partnership between Golden Lane Housing and Royal Mencap Society enables a more personal approach, working with people we support, families and funders to provide a housing and support package that offers the best possible quality of life.

Golden Lane Housing has been innovative in raising finance to provide housing for people with a learning disability and in 2017-18 was able to house 163 additional people, with a further 12 preparing to move in. Of the 163, 38 are supported by Royal Mencap Society. During the year, Golden Lane Housing had revenue of £16.3m from rental income, grants and consultancy.

Mencap raised £13.1m from fundraising activities this year, which exceeded the budgetary objective of maintaining last year's levels of fundraised income (£12.1m in 2016-17). The improved performance against objectives was primarily due to several new donations from charitable trusts, as well as an increase in legacy income. However, direct marketing and events produced less income than expected in the year. Legacies continue to be a major source of funding (£8.0m 2017-18; £7.5m 2016-17) and we are very grateful that people continue to remember us in their wills.

We also saw increased income from trading activities of £2.1m (£1.3m in 2016-17),

although this was offset by correspondingly increased costs. This was primarily due to our new charity shops. Since starting in September 2016, we have opened 34 shops to date, and they are now generating additional turnover, although the retail project as a whole continued to run at a deficit in the year due to initial investment and store-opening costs. We are currently consolidating this with the support of our retail advisory group, which comprises a number of external experts from the retail sector.

Net movement in group funds

In total, the funds of the Mencap group increased by £14.8m in 2017-18. Group operating surplus was £6.3m, and there was an additional gain from the revised accounting estimate of our defined benefit pension scheme liability. During the year the charity also made planned payments of £2.1m to further reduce the pension liability, which has decreased by £9.9m in total.

Mencap has £13.4m in cash at 31 March 2018, of which £6.1m belongs to the charity and £7.3m to other group subsidiaries. Cash balances fluctuate during each month, but accurate cash flow and working capital forecasting has permitted additional cash to be invested during the year. Our strong cash position allows us to continue to operate effectively, and contributes towards ensuring we meet our reserves policy requirements.

At 31 March 2018 we held reserves of £83.2m, of which £35.9m relate to the charity, with the majority of the remainder held by Golden Lane Housing and not available to the rest of the group. £27.1m of the charity's reserves are available for the general purposes of the charity, and the remaining £8.8m are subject to certain restrictions governing their use, as set out in note 23 to the accounts.

Recognising the individual charities

Mencap's financial policies and its risk, reserves and investment policies are all interlinked.

Our risk management processes help identify where we might need reserves, and our financial management policies then determine how our resources are managed and how investment decisions are made.

Our policies and controls also recognise that the Mencap group comprises two separate and distinct charities:

- Royal Mencap Society
- Golden Lane Housing Ltd

Each charity has its own board of trustees that is accountable to its beneficiaries for its respective charitable objectives. It should be noted that Royal Mencap Society has no automatic right to the gross assets or reserves of Golden Lane Housing. The financial management objectives and reserves policies reflect the policies of the separate charities, rather than being a single group policy. Annually, each board of trustees considers what resources will be required to meet its long-term objectives and obligations and what the risks are that might threaten the desired outcomes.

Reserves policy for the charity

Reserves are maintained at a level that enables the charity to manage financial risk and short-term income volatility. They allow the charity to sustain service delivery over the long-term, ensuring that financial commitments can be met as they fall due. At 31st March 2018 the charity's reserves were £35.9m.

As noted above, of the charity's £35.9m reserves at the end of March 2018, £8.8m (2016-17: £7.6m) are restricted funds and not available for general purposes. The remaining £27.1m of reserves are unrestricted, and of these we identify £21.9m as free reserves.

Free reserves exclude those elements that can only be realised by disposing of tangible or intangible fixed assets or programme-related investments.

Free reserves	31 March 2018 £m	31 March 2017 £m
Unrestricted reserves	27.1	16.4
Add back pension provision	10.8	20.7
Less unrestricted net fixed assets	(16.0)	(15.6)
Free reserves	21.9	21.5

The trustees have set a target for free reserves based upon an analysis of the potential financial impacts of significant risks identified through the charity's risk management processes. Free reserves of £21.9m compare to target reserves of £13.1m. The charity plans to utilise its free reserves in a managed fashion through investment in strategic priorities (£1.3m in 2018-19).

During the year to 31 March 2018, the charity was awaiting legal clarification of the ongoing issue around applying National Minimum Wage regulations to historic sleep-in payments. As a result, the trustees delayed commitment to utilise significant amounts of free reserves until any potential liabilities were clarified. Following the Court of Appeal judgment issued shortly before the date of this report, the trustees now anticipate being able to utilise free reserves more extensively in accordance with the needs of the charity. Current commitments for 2018-19 reflect the uncertainty prior to the recent judgment, and future investments will still receive the same level of budgetary scrutiny prior to approval.

The pension deficit is excluded from the free reserves calculation. A payment plan to reduce the deficit has been agreed with the pension fund trustees, and this commitment is taken into account in all our financial planning, including the anticipated and targeted levels of reserves.

Golden Lane Housing has designated certain unrestricted funds for specific purposes. Details of Golden Lane Housing's reserves policy can be found within its accounts. Royal Mencap Society does not have any designated reserves under its own reserves policy.

Investment policy and performance for the charity

The investment policy is designed to support the reserves policy. Royal Mencap Society has adopted a prudent investment policy to balance potential returns with appropriate levels of risk.

Investment objectives for the year were set by the trustees as follows:

- Mencap liquid funds – preserve capital value after inflation in the short term (up to 6 months) with assets available to meet cash flow requirements;
- Mencap long term funds – generate a return in excess of inflation over the long term;
- Mencap visiting service – sufficient funds are available to meet the liabilities of the visiting service over its expected life.

During the year, the trustees carried out a tender process and engaged Schroder & Co. Limited, trading as Cazenove Capital Management, to manage the Mencap and MVS portfolios. As a result of the transition from the previous investment managers, the investments spent some time as liquid funds, and therefore generated a lower return than would have been expected had they been invested without interruption through the year.

Following the transfer to Cazenove, the charity holds three investment portfolios. One relates to the Mencap visiting service and is designed to meet its funding needs over the long-term so that the service can continue to operate for as long as the beneficiaries need it. The portfolio has a long time horizon and trustees monitor performance regularly to make sure

that the assets will be sufficient to meet the needs of the service.

The other investment portfolios form part of the charity's unrestricted reserves. One is invested for the long term. Its objective is to provide a return in excess of inflation, as measured by CPI, over the long term. A second is invested in liquid funds to provide short term protection against inflation whilst retaining the availability of funds at short notice should they be required.

Details on Golden Lane Housing's investment policy can be found within its accounts.

Risk management and internal control for the charity

Risks are identified and assessed against Mencap's strategic aims and objectives at every level of the organisation, and also by project. The trustees review key risks at the corporate level and significant changes in risks. All board papers include a risk assessment in their executive summaries to draw out the key risks and mitigations.

The board of trustees reviews and oversees strategic risks with the support of the audit and risk committee and the quality and compliance committee. The committees are satisfied with the processes for identifying, managing and reporting risk at an operational level. Independent assurance is provided by an outsourced internal audit function which was transferred from PwC to RSM UK during the year following a tender process overseen by the trustees.

Risk management at the operational level is exercised by the executive directors, who review risks regularly within their directorates and as a group.

At the strategic level, we have identified six principal risks faced by the organisation. All activity is reviewed in the context of these principal risks, and operational risks sit below and are associated with them.

Principal risks	What the risks mean to Royal Mencap Society	How we manage the risks
Maintaining quality of services	The safety and wellbeing of the people we support may be affected if we don't have adequate systems and processes in place.	We make sure our staff are trained. We regularly check that people and processes are working effectively.
Maintaining financial sustainability	<p>a) If we don't have sufficient income, we may be unable to operate or to manage the pension deficit.</p> <p>b) If we are not compliant with National Minimum/Living Wage (NMW/NLW) legislation, we risk recompense and penalty payment.</p>	<p>a) We continuously forecast our cash flows and have borrowing facilities in place. We have an effective budgeting process. We have a collaborative approach with the pension trustees.</p> <p>b) We have a robust relationship with commissioners to ensure contracts are negotiated to provide for sleep-ins at NMW/NLW. We continue to lobby alongside other organisations on behalf of our staff.</p>
Governance and strategy	If we don't have the right governance structures in place, we may be unable to drive our strategy, or to improve the lives of people with a learning disability.	We regularly review our governance structures and performance. We have processes in place to lead strategic change and we are developing our ability to measure the impact we make.
People capability and capacity	We need to attract, develop and retain talented staff in a competitive labour market.	We regularly review recruitment processes. We embed our values in appraisal and training. We benchmark our pay and benefits across the sector.
Systems and infrastructure	We need to have IT systems that meet our needs and keep our data and the data of the people we support secure.	We have a programme of work to upgrade our systems.
External influence and perception	People may not understand our core purpose if our messaging is not clear.	We have a clear five year plan and are developing an appropriate brand strategy to support that plan.

Details on Golden Lane Housing's approach to risk can be found within its accounts.

Going concern and statement of public benefit

Going concern

Mencap is well placed to manage the business risks we face. This position is supported by a strong cash flow, a more than sufficient level of reserves, a good relationship with our key funders and proven ability to retain and secure new services.

During the year to 31 March 2018, Mencap was engaged in clarifying the law around applying average National Minimum/Living Wage (NMW/NLW) to non-contractual sleep-in hours for our support workers. While Mencap has ensured that payments going forwards meet the latest case law interpretation of NMW/NLW requirements, we were party to legal proceedings concerning a potential liability for historic payments. Prior to the signing of this annual report, the Court of Appeal found that no such historic liability exists.

Taking into consideration that Mencap currently holds free reserves which are £8.8m in excess of optimal operating requirements, we therefore have a reasonable expectation that we have sufficient resources to continue in operational existence for the foreseeable future. Further that we believe that there are no known, measurable material uncertainties that call into doubt the ability of Mencap to continue as a going concern.

Our planning processes, including financial projections, take into consideration the current economic climate and its potential impact on the various sources of income and planned expenditure. We acknowledge our pension fund obligations and have a clear strategy to manage the deficit, which includes a deficit reduction plan that is designed to get the scheme to self-sufficiency by 2028, subject to continued discussion and agreement with the pension scheme trustee board.

Statement of public benefit

The trustees confirm that they have complied with the duty in section 17 of the Charities Act 2011 to have regard to the Charity Commission's general guidance on public benefit, "Charities and Public Benefit".

Royal Mencap Society's charitable objects are enshrined within its memorandum and articles and as such the trustees ensure that the charity's activities are carried out for the public benefit through its strategic priorities. This is done primarily through the delivery of services aimed at all those with a learning disability. This report allows us to show how our charitable funds are spent and the impact and benefits that has on those using our services, as well as the wider impact on society.

Reference and administration details

The trustees of Royal Mencap Society are the charity's trustees under charity law and the directors of the charitable company.

Trustees

Derek Lewis, chair
Geoff Alltimes CBE
Janet Brown (resigned 29 December 2017)
Elaine Hindal
Katie Hollier
Stephen Jack OBE
Andrew Nebel (resigned 14 July 2017)
John Phillips MBE (resigned 29 December 2017)
Linda Redford
George Venus (resigned 29 December 2017)
Graham Williams
Andrew Wilson
David Wolverson

Vice Presidents

Brian Baldock CBE
Sir George Bull Kt (resigned 2 September 2017)
Barrie Davis
Dame Pauline Harris DBE
Alan Hill
Michael Mackey MVO BEM
Dame Norma Major DBE
Lord Wigley
Leslie Wooster
Sir Alan Yarrow

Royal Patron

HRH The Countess of Wessex

Administrative details

The full name of the charity is Royal Mencap Society. The registered charity number is 222377 (England and Wales) and SC041079 (Scotland).

The company registration number is 550457.

Registered office: 123 Golden Lane, London, EC1Y 0RT.

Chief executive: Janine Tregelles

Company secretary: Oonagh Smyth, director of strategy and influence.

The day-to-day management of the charity is delegated by the trustees to the chief executive Janine Tregelles and her executive team.

Independent auditor: Crowe U.K. LLP, St Bride's House, 10 Salisbury Square, London, EC4Y 8EH.

Bankers: Barclays Bank Plc, Level 28, 1 Churchill Place, London, E14 5HP.

Solicitors: Simons Muirhead & Burton LLP, 8-9 Frith Street, London W1D 3JB.

Investment managers: Investec Wealth & Investment Limited, Unit 4, The Billings, 3 Walnut Tree Close, Guildford, GU1 4UL and Schroder & Co. Limited, trading as Cazenove Capital Management, 31 Gresham Street, London EC2V 7QA.

Objects

The objects of the charity as stated within the articles of association are the relief of people with learning disability, their families, dependants and carers in need, such relief to be by any and every means.

Structure, governance and management

Structure

Royal Mencap Society is a company (registration number 550457) limited by guarantee and a registered charity regulated by the Charity Commission (registered number 222377) and with the Office of the Scottish Charity Regulator (registered number SC041079).

The results of the subsidiaries of the group headed by Royal Mencap Society are disclosed in note 16 of these accounts. A brief description of each subsidiary is as follows:

Golden Lane Housing Ltd (GLH)

Golden Lane Housing is an independent charity with its own independent board of trustees, and a registered provider, regulated by the Homes and Communities Agency. It specialises in finding suitable homes for people with a learning disability.

GLH was launched by Royal Mencap Society in 1998 and helps people with a learning disability in England and Wales choose their own homes and become tenants. It also gives information, advice and guidance to hundreds of families every year.

For more information on GLH and what it does, call 0845 604 0046 or go to www.glh.org.uk

Mencap Trust Company Limited (MTC)

Mencap Trust Company was established in 1976 to lessen the worry parents have for a vulnerable family member by helping them make arrangements to provide for that family member in the future. We have helped over 2,500 families and manage around 220 discretionary trusts for people with a learning disability and autism, with over 700 trust deeds awaiting activation.

MTC works in partnership with investment, tax and legal experts to provide a professional service, managing trusts for people with a learning disability.

For more information about Mencap Trust Company, go to www.mencap.org.uk/mencaptrustcompany

Mencap Limited

Mencap Limited is a trading subsidiary which sells merchandise via a catalogue and operates those elements of Mencap's retail activities which do not involve direct donations to the charity.

Mencap Promotions Limited

Mencap Promotions Limited is a subsidiary which managed promotional and other sponsored events until 31 March 2018. From 1 April 2018, its activities have been taken over by Mencap Limited.

Blue Sky Housing Limited

Blue Sky Housing is a dormant property development subsidiary.

Mencap visiting service

The Mencap visiting service (MVS) is a trust fund established to provide a visiting scheme to named beneficiaries after the death of a donor. It is not a separate legal entity. MVS funds are held in a discretionary trust, and MVS activities are delivered by Royal Mencap Society.

Governance

Mencap is committed to maintaining the highest standards of governance and has determined that the organisation should meet the principles outlined in the Charity

Commission's new Code of Governance. An assessment of our approach in applying each of the principles was undertaken by the board with the assistance of an external adviser.

Organisational purpose

Mencap has a clear, sustainable strategy and business plan consistent with the charity's purposes and a framework to evaluate and monitor our impact. We are developing our approach to collaboration and to working with our network to increase our impact.

Leadership

Ultimate responsibility for governance of the charity and its subsidiaries is entrusted to the trustee board, which consists of up to 12 trustees and the chair. Whilst suitably challenging and diverse views are welcome, collaborative responsibility is taken. Best practice is followed in terms of the management of the chief executive and there are clear distinctions between the role of trustees and the executive team. The board holds a range of reserved matters and delegates certain authority to the executive team in order to run the organisation efficiently.

The trustees are also the charitable company's Companies Act members.

Integrity

The board is very conscious of the need to safeguard Mencap's reputation and operates to the highest ethical standards, with trustees signing up to a code of conduct and regularly declaring conflicts of interest.

Decision making, risk and control

Mencap has a clear schedule of delegation and a number of board committees with clear terms of reference which are reviewed annually. The minutes of meetings are made available to all trustees on a timely basis. The

board regularly reviews operational plans, budgets and the organisation's main risks. The audit and risk committee meets with auditors once a year without staff and we have independent internal auditors.

Board effectiveness

The board regularly reviews its effectiveness and that of the committees. We have recently appointed one of our trustees, Graham Williams, as vice chair to provide a sounding board for the chair and act as an intermediary for the other trustees if required. For new trustees, the charity has a wide ranging induction programme and this is also offered to committee members and other trustees throughout the year. New trustees are given a governance handbook which outlines the main policies and the governance structure of the charity. Further training and development is offered individually or to the board as a whole as required.

The optimum board size is reviewed regularly. Trustees are appointed for a four-year term of office and can serve two terms in total.

Diversity

Mencap has a systematic and transparent recruitment process advertising widely and looking at how we can attract a diverse pool of candidates. This is overseen by the nominations committee. The board would like to increase its diversity and so has a focus on this in current and future recruitment of trustees. This year we are focusing on recruiting more women and people from BME backgrounds onto the board.

We regularly review the skills and diversity of the board to identify any gaps but recognise that there is significant work to do around diversity on the board and continue to actively seek ways of removing, reducing or preventing obstacles to trusteeship.

Openness and accountability

Trustees have increased their visibility with external and internal stakeholders and a number of advisory forums and groups have been set up with membership of our stakeholders to advise and support the board. These include our local Network Partners, external academic advisors and people with a learning disability.

There is a transparent process for making complaints and whistleblowing and regular reports are received by the board and relevant committees.

A register of trustee and senior staff interests is kept and independent reviews are carried out when thought necessary for future learning. We continue to publish the salaries of our senior staff.

Mencap gender pay gap

Following the new requirement for all organisations with more than 250 employees to report on their gender pay gap, we published our results in January this year.

The difference between the amounts of money women earn and the amounts of money men earn is called the gender pay gap. Mencap has a small gender pay gap of mean (average) 4.5% and median (mid-point) 2.5%. This means that overall men who work for Mencap earn on average 4.5% more than women. The gap is slightly bigger for people in higher paid roles and on average women earn 6.7% less than men within this quartile. This group includes some of our higher support roles right up to our executive team.

As a result, we are dedicating time to understand why we have a gender pay gap and will ask our colleagues to help us think about how we can improve. This year, we will be carrying out further analysis to inform our future plans. We will also be reviewing our family friendly policies and seeing how these impact on development and promotion opportunities.

Safeguarding

In previous annual reports, we have not referenced our safeguarding arrangements. However, in the interests of transparency, safeguarding updates will be included in future annual reports.

In June 2017 we received a final report on our safeguarding arrangements that we had commissioned through the Social Care Institute for Excellence. This was an independent report, and we asked a number of questions of our reviewer, including:

- Are we doing enough (on safeguarding) and is there anything missing?
- Are our safeguarding practices current and reflective of today's best practice?
- How well are the changes we have made in respect of safeguarding bedding down?

The report noted a number of changes that we have made in recent years. These include:

- establishment of a safeguarding panel under our quality and compliance committee with full delegation from the board of trustees
- production of an annual safeguarding report and other core processes, such as considering safeguarding data and using values-based recruitment and ongoing employment support.

The report identified the appointment of an independent chair for our safeguarding panel as an area for further consideration and action. As a result of this, we appointed Brendan Clifford in April 2018. The report also suggested the use of the Making Safeguarding Personal material as a basis for on-going assessment of the quality of our practice and governance, and this is being incorporated in our 2018/19 action plan.

The independent chair will report to the quality and compliance committee during 2018/19.

Board and committees

There are clear distinctions between the role of trustees and the executive team. The board of trustees holds a range of reserved matters and delegates certain authority to the executive team in order to run the organisation efficiently.

Matters such as policy, strategy and budgets are prepared by the executive team for consideration and approval by the trustees, who then monitor the implementation of these plans.

New trustees are recruited based on skills and experience which contribute to the effectiveness of the board. Vacancies are advertised publicly, and search agencies may also be used where particular specialist knowledge and skills are required. Candidates are assessed by the nominations committee, which recommends new appointments to the board.

There are a number of board committees with clear terms of reference and role descriptions for members. They all have trustee members and some have non-trustee members who are appointed for their particular skills and knowledge.

The committees include:

- **Audit and risk** – which considers the control and risk management systems, assures trustees on the effectiveness of those systems, and monitors and reviews the effectiveness of the internal and external audit functions.
Trustee members: Graham Williams (chair), Geoff Alltimes, Stephen Jack, Derek Lewis
Co-opted member: Nick Chapman
- **Finance, planning and remuneration** – which ensures the board receives the appropriate financial information for the purposes of planning, performance monitoring and major decisions.
Trustee members: Stephen Jack (chair),

Elaine Hindal, Derek Lewis, Linda Redford, Graham Williams

- **Nominations** – which provides oversight of the composition and balance of the board of trustees and its committees. It also oversees recruitment as well as assessing and recommending new trustee and committee appointments.
Trustee members: Derek Lewis (chair), Katie Hollier, Linda Redford
Co-opted members: Mary Oliver, Paul Savage, Corinne Wells
- **Quality and compliance** – which monitors the organisation's compliance with quality and regulatory requirements, and progress in relation to delivering high quality and innovative services.
Trustee members: David Wolverson (chair), Geoff Alltimes, Derek Lewis, Linda Redford, Andrew Wilson

All of the committees have clear terms of reference which are reviewed annually. The minutes of meetings are made available to all trustees on a timely basis. The committees meet three to four times a year.

Learning Disability Advisory Forum

The Learning Disability Advisory Forum is a group of people with a learning disability who give the board of trustees advice on matters that are important to people with a learning disability. The members of the forum at 31 March 2018 were:

- Karen Gray
- Sam Jefferies
- Barbara Norris
- John Phillips
- Dave Taylor
- Jack Welch
- Andrew Wilson

Following a review by the trustees, it was agreed that the role of the forum should be renamed the Voices Council and strengthened to provide input, support and advice on

matters relating to learning disabilities and the priorities and activities of Mencap to the board of trustees. The first meeting of the Voices Council was in April 2018.

Senior remuneration

As a charitable group, Mencap believes it is important to be transparent about the pay levels of senior colleagues and how their remuneration is set.

We are committed to working closely with the National Council for Voluntary Organisations (NCVO), Association of Chief Executives of Voluntary Organisations (ACEVO) and others in ensuring there are high standards across the sector in regard to this.

Our senior reward approach encompasses two main factors:

- Internal job evaluation, which is weighted by the distinct elements of roles and allows for internal comparison of roles within different job families, e.g. operational management, business support, fundraising.
- External pay benchmarking via the use of market data taken from sector pay surveys and reports.

We generally use the market median in the charity sector as a rule of thumb for setting salaries. Some flexibility is applied to take into consideration the specific requirements for each post and to ensure we can recruit the best candidate possible to meet the needs of our beneficiaries.

All senior staff receive ongoing performance management and an annual feedback report and appraisal. This provides feedback from the chief executive, their peers and teams about how they have contributed to the achievement of our strategy and any personal development areas they may have.

Our executive team remuneration in the year, including basic pay, pension and benefits, was as follows:

Role	Remuneration to 31 March 2018	Remuneration to 31 March 2017
Chief executive	£164,353	£167,404
Chief financial officer ¹	£106,517	£142,060
Chief financial officer (interim) ²	£88,057	-
Director of services ³	£145,292	£134,599
Director of marketing and engagement ⁴	£33,943	£135,761
Director of fundraising (interim) ⁵	£68,497	-
Director of communications ⁶	£20,920	-
People director	£102,688	£98,242
Director of quality	£100,480	£97,069
Director of strategy and influence	£104,029	£99,651

Members of the board of trustees are not remunerated for their roles with Mencap.

¹ Left 31 December 2017 ² Contractor joined 4 December 2017 (includes agency fees and VAT) ³ Joined 2 May 2016 (first full year to 31 March 2018)
⁴ Left 28 June 2017 ⁵ From 3 July 2017. Includes remuneration in previous role as head of corporate partnerships ⁶ Joined 22 January 2018

Volunteers

During the year, Mencap benefitted from the time of 1,778 volunteers. Volunteers are involved across a range of activities:

- 445 participating in fundraising
- 436 assisting across our direct services
- 897 supporting us across a range of other projects.

Employee involvement and employment of people with a disability

Our colleagues are fundamental to the delivery of Our Big Plan and they have been involved from the outset in shaping our plans. They are engaged regularly in how we implement our priorities, helping us make Mencap a great place to work and making sure we have the most impact we can for people with a learning disability.

In the last year, Mencap colleagues have been involved in:

- organisation-wide listening opportunities around key issues, using surveys, focus groups, Your Mencap conversations (where we have conversations around key themes linked to Our Big Plan) and online digital tools such as Yammer to connect with more of our colleagues, particularly in our services
- engagement sessions with our chief executive, which delve into our strategic and enabling priorities and ask our colleagues for their ideas and suggestions and their experience of working for Mencap, so we can learn and inform our plans
- inclusion groups for colleagues with a learning disability, as well as people we support and people connected with our

network to inform our plans and generate ideas to shape how we work and what else we need to be doing

- more directly influencing our campaigning work, using their voices and those of the people we support to really support and influence campaigns like our *Treat me well* campaign
- the introduction of a 'Welcome to Mencap day - meet the Exec', co-facilitated by our colleagues with a learning disability, to ensure all new starters are welcomed into the organisation.

We are committed to equality, diversity and inclusion within Mencap and continue to work to ensure our policies and working practices encourage, reflect and support the diversity of our colleagues, including how we attract new colleagues.

As of 31 March 2018 there were 309 people with a declared disability on Mencap's payroll, including 164 people with a learning disability.



Statement of trustees' responsibilities

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

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 the group and of the incoming resources and application of resources, including the income and expenditure, of the charitable company/group 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 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
- 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, 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, the Charities and Trustee Investment (Scotland) Act 2005, the Charities Accounts (Scotland) Regulations 2006 (as amended) and the provisions of the charity's constitution. They are also responsible for safeguarding the assets of the charity and the group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Disclosure of information to auditors

Insofar as each of the trustees of the charity at the date of approval of this report is aware there is no relevant audit information (information needed by the charity's auditor in connection with preparing the audit report) of which the charity's auditor is unaware. Each trustee has taken all of the steps that he/she should have taken as a trustee in order to make himself/herself aware of any relevant audit information and to establish that the charity's auditor is aware of that information.

The trustees' report, under the Charities Act 2011 and the Companies Act 2006, was approved by the board of trustees on 18 July 2018, including approving in their capacity as company directors the strategic report contained therein, and is signed as authorised on its behalf by:



Derek Lewis, chair



Graham Williams, trustee

Independent auditor's report to the members and trustees of the Royal Mencap Society

Opinion

We have audited the financial statements of the Royal Mencap Society for the year ended 31 March 2018 which comprise the Group Statement of Financial Activities (incorporating Group Summary Income and Expenditure Account), the Group and Company Balance Sheets, the Group Cash Flow Statement and the related notes numbered 1 to 28, 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).

This report is made solely to the charitable company's members, as a body, in accordance with Chapter 3 of part 16 of the Companies Act 2006, and to the charitable company's trustees, as a body, in accordance with Regulation 10 of the Charities Accounts (Scotland) Regulations 2006. Our audit work has been undertaken so that we might state to the charitable company's members and trustees those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charitable company, the charitable company's members as a body and the charitable company's trustees as a body, for our audit work, for this report, or for the opinions we have formed.

In our opinion the financial statements:

- give a true and fair view of the state of the group's and the charitable company's affairs as at 31 March 2018 and of

the group's incoming resources and application of resources for the year then ended;

- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006, the Charities and Trustee Investment (Scotland) Act 2005 and Regulations 6 and 8 of the Charities Accounts (Scotland) Regulations 2006 (amended).

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 Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the group in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC'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.

Conclusions relating to going concern

We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

- the trustees' use of the going concern basis of accounting in the preparation

of the financial statements is not appropriate; or

- the trustees have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the group's or the charitable company's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

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 auditor's report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, 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.

Opinions on other matters prescribed by the Companies Act 2006

In our opinion based on the work undertaken in the course of our audit

- the information given in the trustees' report, which includes the directors' report and the strategic report prepared for the purposes of company law, for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the strategic report and the directors' report included within the trustees' report have been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In light of the knowledge and understanding of the group and the charitable company and their environment obtained in the course of the audit, we have not identified material misstatements in the strategic report or the directors' report included within the trustees' report.

We have nothing to report in respect of the following matters in relation to which the Companies Act 2006 and the Charities Accounts (Scotland) Regulations 2006 require us to report to you if, in our opinion:

- adequate and proper accounting records have not been kept; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of trustees' remuneration specified by law are not made; 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 on page 76, 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 group's or 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.

Auditor's responsibilities for the audit of the financial statements

We have been appointed as auditor under section 44(1)(c) of the Charities and Trustee Investment (Scotland) Act 2005 and under the Companies Act 2006 and report in accordance with the Acts 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 auditor's 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 auditor's report.



Naziar Hashemi
Senior Statutory Auditor
For and on behalf of
Crowe U.K. LLP
Statutory Auditor
London

18 July 2018



Financial statements

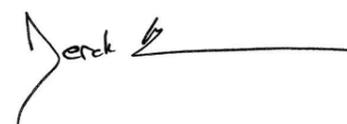
Consolidated statement of financial activities for the year ended 31 March 2018
(incorporating the income and expenditure account)

	Notes	Unrestricted funds £'000	Restricted funds £'000	Total funds 2018 £'000	Unrestricted funds £'000	Restricted funds £'000	Total funds 2017 £'000
Income from:							
Donations and legacies	2	11,071	1,993	13,064	10,666	1,388	12,054
Charitable activities	3	168,329	2,995	171,324	159,362	3,702	163,064
Other trading activities	4	2,059	-	2,059	1,320	-	1,320
Investments	5	76	46	122	66	132	198
Property income	6	15,902	1,056	16,958	14,994	-	14,994
Gain on disposal of fixed assets		221	-	221	311	-	311
Total		197,658	6,090	203,748	186,719	5,222	191,941
Expenditure on:							
Raising funds	7	6,948	46	6,994	4,403	102	4,505
Charitable activities	7	185,990	4,222	190,212	178,147	5,875	184,022
Total		192,938	4,268	197,206	182,550	5,977	188,527
Net gains/(losses) on investments	14	(94)	(90)	(184)	156	638	794
Net income/(expenditure)		4,626	1,732	6,358	4,325	(117)	4,208
Transfers between funds		(394)	394	-	243	(243)	-
Other recognised gains/(losses):							
Actuarial gains/(losses) on defined benefit pension schemes	24	8,419	-	8,419	(1,328)	-	(1,328)
Net movement in funds		12,651	2,126	14,777	3,240	(360)	2,880
Reconciliation of funds:							
Total funds brought forward		42,067	26,390	68,457	38,827	26,750	65,577
Total funds carried forward		54,718	28,516	83,234	42,067	26,390	68,457

Consolidated balance sheet as at 31 March 2018

	Notes	2018 £'000	2017 £'000
Fixed assets			
Intangible assets	13	395	756
Tangible assets	12	108,933	105,041
Investments	14	15,577	12,141
Total fixed assets		124,905	117,938
Current assets			
Debtors	17	28,903	24,555
Stock		44	56
Cash at bank and in hand		13,368	19,544
Total current assets		42,315	44,155
Liabilities			
Creditors: Amounts falling due within one year	18	(21,366)	(19,652)
Net current assets or liabilities		20,949	24,503
Total assets less current liabilities			
		145,854	142,441
Creditors: Amounts falling due after more than one year	19	(44,531)	(45,613)
Provisions for liabilities	21	(7,314)	(7,706)
Net assets or liabilities excluding pension asset or liability		94,009	89,122
Defined benefit pension scheme liability	24	(10,775)	(20,665)
Total net assets or liabilities		83,234	68,457
The funds of the group:			
Restricted income funds	23	28,516	26,390
Unrestricted funds		59,408	56,324
Designated funds		6,085	6,408
Pension reserve		(10,775)	(20,665)
Total unrestricted funds	23	54,718	42,067
Total group funds		83,234	68,457

These financial statements were approved by the trustees on 18 July 2018 and signed on their behalf by:



Derek Lewis, chair



Graham Williams, trustee

The notes on pages 84 to 121 form part of these financial statements.

Charity balance sheet as at 31 March 2018

	Notes	2018 £'000	2017 £'000
Fixed assets			
Intangible assets	13	395	757
Tangible assets	12	19,233	18,685
Investments	14	15,577	12,141
Total fixed assets		35,205	31,583
Current assets			
Debtors	17	31,365	27,518
Cash at bank and in hand		6,115	11,190
Total current assets		37,480	38,708
Liabilities			
Creditors: Amounts falling due within one year	18	(17,918)	(16,785)
Net current assets or liabilities		19,562	21,923
Total assets less current liabilities		54,767	53,506
Creditors: Amounts falling due after more than one year	19	(1,052)	(1,107)
Provisions for liabilities	21	(7,049)	(7,707)
Net assets or liabilities excluding pension asset or liability		46,666	44,692
Defined benefit pension scheme liability	24	(10,775)	(20,665)
Total net assets or liabilities		35,891	24,027
The funds of the charity:			
Restricted income funds		8,833	7,644
Unrestricted funds		37,833	37,048
Pension reserve		(10,775)	(20,665)
Total unrestricted funds		27,058	16,383
Total charity funds		35,891	24,027

The charity has taken exemption from presenting its unconsolidated profit and loss account under section 408 of the Companies Act 2006. The net income of the charity in 2018 was £3.442m (2017: £1.452m)

These financial statements were approved by the trustees on 18 July 2018 and signed on their behalf by:



Derek Lewis, chair



Graham Williams, trustee

The notes on pages 84 to 121 form part of these financial statements.

Consolidated statement of cash flows for the year ended 31 March 2018

	2018 £'000	2017 £'000
Cash flows from operating activities:		
Net cash provided by operating activities (see below)	3,835	5,979
Cash flows from investing activities:		
Dividends, interest and rents from investments	122	198
Proceeds from the sale of property, plant and equipment	1,152	1,677
Purchase of property, plant and equipment	(6,936)	(3,563)
Proceeds from sale of investments	44,391	8,414
Purchase of investments	(48,011)	(8,402)
Shared investment contribution	298	-
Net cash provided by / (used) in investing activities	(8,984)	(1,676)
Cash flows from financing activities:		
Repayments of borrowing	(11,027)	(948)
Cash inflows from new borrowing	10,000	-
Net cash provided by / (used) in financing activities	(1,027)	(948)
Change in cash and cash equivalents in the reporting period	(6,176)	3,355
Cash and cash equivalents at the beginning of the reporting period	19,544	16,189
Cash and cash equivalents at the end of the reporting period	13,368	19,544

Reconciliation of net income/(expenditure) to net cash flow from operating activities

	2018 £'000	2017 £'000
Net income for the reporting period (as per the statement of financial activities)	6,358	4,208
Adjustments for:		
Depreciation and amortisation charges	2,176	2,486
Loss/(gain) on investments	184	(794)
Dividends, interest and rents from investments	(122)	(198)
Defined benefit pension expense	688	796
Loss/(profit) on the sale of fixed assets	(221)	(311)
Increase in stocks	12	(17)
Increase in debtors	(4,348)	(1,918)
Increase/(decrease) in creditors (excluding loans)	1,659	2,585
Increase/(decrease) in provisions	(392)	1,138
Defined benefit pension deficit reduction	(2,159)	(1,996)
Net cash provided by operating activities	3,835	5,979

Analysis of cash and cash equivalents

	2018 £'000	2017 £'000
Cash in hand	2	9
Notice deposits (less than 3 months)	13,366	19,542
Overdraft facilities repayable on demand	-	(7)
Total cash and cash equivalents	13,368	19,544

1. Accounting policies

(a) Company information

Royal Mencap Society is a public benefit entity registered as charity in England and Wales and a company limited by guarantee. It was incorporated on 9 June 1955 (company number: 550457) and registered as a charity on 23 July 1964 (charity number: 222377). It is also registered with the Office of the Scottish Charity Regulator on 11 December 2009 (charity number: SC041079).

The company was established under a Memorandum of Association which established the objects and powers of the charitable company and is governed under its Articles of Association (last amended 15 October 2014).

In the event of the company being wound up members are required to contribute an amount not exceeding £1 each.

The registered office of Royal Mencap Society is: 123 Golden Lane, London EC1Y 0RT.

(b) Basis of preparation

The consolidated financial statements have been prepared under the historical cost convention in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102), the Companies Act 2006 and the Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) - effective 1 January 2015.

The financial statements have been prepared consolidating the results of the charity and its subsidiary Golden Lane Housing Limited, a charitable company of which the charity is the sole member (company number: 03597323). Both charities within the Mencap group are separately registered and governed by their own Memoranda and Articles of Association.

Additionally, the charity's other trading subsidiaries as disclosed in the accounts are fully consolidated, as in all cases the charity is the sole member.

After reviewing the group's forecasts and projections, the trustees consider that the group is well placed to manage the business risks it faces. This position is supported by a strong cash flow, a sufficient level of reserves, a good relationship with key funders and the proven ability to retain and secure new services. The trustees therefore have a reasonable expectation that the group has more than sufficient resources to continue in operational existence for the foreseeable future and believe that there are no material uncertainties that call into doubt the ability of the group to continue as a going concern. The group therefore continues to adopt the going concern basis in preparing its consolidated financial statements.

The group's planning processes, including financial projections, take into consideration the current economic climate and its potential impact on various sources of income and planned expenditure. The trustees acknowledge the group's pension fund obligations and have a clear strategy to manage the deficit, which includes a deficit reduction plan that is designed to get the scheme to self sufficiency by 2028, subject to continued discussion and agreement with the trustees of the pension scheme.

(c) Critical accounting judgements and key sources of estimation uncertainty

In the application of the group's accounting policies, which are described in this note, trustees are required to make judgements, estimates and assumptions about the carrying values of assets and liabilities that are not readily apparent from other sources. The estimates and underlying assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects the current and future periods.

Significant areas of estimate and judgement include provisions, assumptions used to value the defined benefit pension scheme, and the remaining useful life of assets. Related accounting policies for these items are noted below.

The principle accounting policies adopted, judgements and key sources of estimation uncertainty in the presentation of the financial statements are as follows:

(d) Income

All income is accounted for when Mencap has entitlement, there is probability of receipt and the amount is measurable.

Charitable activities

Income in respect of contracts for the provision of services is recognised when Mencap is entitled based on services provided. Amounts received in advance of service provision are deferred until the relevant part of the contracted service is complete.

Legacies

Legacies are accounted for when notified, providing the amount can be reliably measured and that ultimate receipt is probable. Legacies which include a life interest held by another party are recognised on notification of probate.

Gifts in kind

Donated goods and services are included as income within the statement of financial activities (with an equivalent amount in expenditure) at their fair value, where Mencap is entitled to the donation, it is probable that it will be received, and the fair value can be measured reliably.

Assets given for use by Golden Lane Housing Limited have been recognised as incoming resources when they become receivable, and included either in fixed assets when they are received or in other

debtors if they have not yet been received. The basis for valuation is the market value at the time of purchase.

Grants

Grant income is recognised in the statement of financial activities when received or when the charity becomes entitled to receipt. Grants that have been received will be treated as deferred income where there are specific requirements in the terms of the grant that the income recognition is dependent on certain activities being completed in a future accounting period.

(e) Expenditure

i) Activity related expenditure

The charity's cost of operating includes staff costs, rent and other related costs. Costs are allocated between raising funds (costs of raising funds, investment management costs and trading costs of subsidiaries); charitable activities (raising awareness and changing attitudes, making a difference in the lives of people with a learning disability here and now, supporting friendships and relationships, improving health for people with a learning disability, giving children the best start in life, and governance); and support. All costs are accounted for on an accruals basis.

ii) Basis of allocation of support costs

Support costs are allocated to the different categories of activities based on a judgement of the percentage the specific activity represents in relation to the total non-support expenditure. The basis of allocation has been updated in the period and comparative information in note 7 has been restated, although there is no overall net effect on the result for the prior year.

Support costs include management, finance, human resources, information technology and some elements of fundraising.

Governance costs other than those disclosed specifically in the notes to these accounts are included within support costs and allocated on the same basis.

iii) Pension costs

Mencap pension scheme (defined benefit)

The Mencap defined benefit scheme was closed to new entrants on 1 October 2001 and closed to future service benefit accrual with effect from 31 March 2009.

Pension scheme assets are measured at fair value and liabilities are measured on an actuarial basis using the projected unit method and discounted at a rate equivalent to the current rate of return on a high quality corporate bond of equivalent currency and term to the scheme liabilities. The actuarial assumptions are reviewed every three years.

The valuation is updated at each balance sheet date and the resulting defined benefit asset or liability is shown separately after other net assets on the face of the balance sheet. This defined benefit asset or liability is also disclosed separately within the unrestricted funds.

The amounts charged to the statement of financial activities are the current service costs, which are included within staff costs, and gains and losses on settlements and curtailments. Past service costs are recognised immediately if the benefits have vested. Defined actuarial gains and losses are

recognised under other recognised gains and losses.

The defined benefit schemes are funded, with the assets of the scheme held separately from those of the group in separate trustee administered funds.

If members of the defined benefit pension schemes have not yet retired, their costs are recognised over the period leading to retirement. Further details of the nature of these costs are given in note 24: Pension scheme.

Other defined benefit schemes

Mencap also participates in a number of local government pension schemes in relation to a small number of staff who have transferred over to Mencap. Mencap participates in these schemes by way of admission agreements. Full provision has been made according to FRS 102 in the financial statements in relation to one of the schemes. However, as the liability is not material, disclosure has been limited so as not to distort or overstate the importance of this scheme.

Defined contribution scheme

The charity also contributes to a defined contribution scheme, which was opened on 1 April 2002. This is currently operated by BlackRock.

For the defined contribution scheme, the amount charged to the statement of financial activities in respect of pension costs and other post retirement benefits is the contributions payable in the year. Differences between contributions payable in the year and contributions actually paid are shown as either accruals or prepayments in the balance sheet.

The cost of the charity's contributions to the defined contribution scheme is allocated between restricted and unrestricted funds in accordance with the functions of the individual employees to whom the contributions relate.

iv) Redundancy and termination costs

Employee benefits paid on redundancy or termination include accrued amounts where Mencap is demonstrably committed to make these payments but they had not yet been made at 31 March 2018. All accrued amounts are fully funded and expected to be settled within 12 months of the balance sheet date.

(f) Tangible and intangible fixed assets

Tangible fixed assets

Office properties are held at cost. Residential property is held at cost, less contributions from individuals and their families where applicable.

Shared investment contributions are accounted for where individuals or families have a right to an equity share of the property on disposal, including any resulting profit or loss.

Depreciation is provided so as to write off the cost of the assets net of any shared investment contributions in equal instalments over the estimated useful lives of the assets. The depreciation rates used for other assets are as follows:

- Freehold and leasehold land and buildings: 1% - 10% per annum

- Fixtures, fittings and equipment: 10% - 33% per annum
- Motor vehicles: 25% per annum

Tangible fixed assets costing more than £2,000 are capitalised.

Assets under construction is a category holding assets pending completion and transfer into the relevant fixed asset category. These assets are capitalised at cost and not subject to depreciation or impairment unless extraordinary circumstances have occurred which would require provision to be made.

All other tangible fixed assets are subject to review for impairment/accelerated depreciation where there is an indication of a reduction in their carrying value. Any impairment/accelerated depreciation is recognised in the statement of financial activities in the year in which it occurs.

Intangible fixed assets

Intangible fixed assets costing more than £2,000 are capitalised.

Amortisation is provided so as to write off the cost of the assets in equal instalments over the estimated useful lives of the assets. The amortisation rates used are as follows:

- Software: 33% per annum

Component accounting - Golden Lane Housing

In accordance with FRS 102, Golden Lane Housing Limited recognises and depreciates tangible and intangible fixed assets using component accounting. As a result, it uses a separate and more detailed set of depreciation rates as follows:

- Freehold and long leasehold buildings (structure only) over 100 years: 1% per annum
- Capitalised leasehold buildings (structure only) less than 100 years: Over the term of the lease
- Bathrooms: 3.33% per annum
- Kitchens: 5% per annum
- Boilers: 6.67% per annum
- Central heating: 3.33% per annum
- Rooves: 1.67% per annum
- Externals (fascias, soffits): 3.33% per annum
- Doors: 3.33% per annum
- Windows: 3.33% per annum
- Electrics (rewire): 3.33% per annum
- Capitalised data system software: 20% per annum
- Capitalised fixtures and fittings: 10% per annum

Finance leases

Leases are classified as finance leases whenever the terms of the lease transfer substantially all the risks and rewards of ownership of the leased asset to the group. All other leases are classified as operating leases.

Assets held under finance leases are recognised initially at the fair value of the leased asset (or, if lower, the present value of minimum lease payments) at the inception of the lease.

The corresponding liability to the lessor is included in the statement of financial position as a finance lease obligation.

Lease payments are apportioned between finance charges and reduction of the lease obligation using the effective interest method so as to achieve a constant rate of interest on the remaining balance of the liability.

Operating leases

Rentals under operating leases are charged on a straight-line basis over the lease term, even if the payments are not made on such a basis. Benefits received and receivable as an incentive to sign an operating lease are similarly spread on a straight-line basis over the lease term which runs to the date of the first relevant break clause.

(g) Current assets and liabilities

Stock

Stock, which comprises stationery and goods for resale, is stated at the lower of cost and net realisable value.

Donated stock is carried at nil value as it is considered impractical to obtain a reliable valuation. The value of goods is instead recognised at their retail price when sold.

Provisions - general

Provision is made for present obligations where it is probable settlement will be required in the future and the amount can be estimated reliably, but the amount or timing is not certain. Most amounts provided for are expected to be settled within 12 months and are therefore recognised at the estimated settlement amount or discounted to net present value where appropriate.

Provisions - Mencap Visiting Service

Provision is made to cover the estimated future liability in respect of the Mencap Visiting Service. In estimating the provision, account is taken of the estimated number of years that the service will be provided to individuals as well as estimated future inflation rates and rates of return on investments associated with the scheme. The discount rates used in calculating this liability are consistent with rates used in determining our defined benefit pension liability. Investments held by Mencap to cover the liability of providing the Mencap Visiting Service are held in trust for this purpose.

Deferred income

Grants that have been received will be treated as deferred income where there is a specific requirement in the terms of the grant that the income recognition is dependent on certain activities being completed in a future accounting period(s).

(h) Basic financial instruments

Financial assets (including cash and debtors) and financial liabilities are recognised when the group becomes a party to the contractual provisions of the instrument. Additionally all financial assets

and liabilities are classified according to the substance of the contractual arrangements entered into.

Financial assets and liabilities are initially measured at transaction price (including transaction costs) and are subsequently remeasured where applicable at amortised cost, except for investments which are measured at fair value with gains and losses recognised in the statement of financial activities.

Financial assets held at amortised cost include cash, trade debtors, intercompany debtors, other debtors and accrued income.

Financial assets held at fair value include investments.

Financial liabilities held at amortised cost include trade creditors, other creditors, finance leases, bonds, loans and accruals.

(i) Funds

The charitable companies within the group maintain various types of fund as follows:

- Restricted funds are those which are to be used in accordance with specific restrictions imposed by donors or which have been raised by the charities for particular purposes.
- Unrestricted funds are funds which are expendable at the discretion of the trustees in furtherance of the objects of the charities.
- Designated funds are unrestricted funds which have been set aside by the trustees of the charities for specific purposes. The aim and use of each designated fund is set out in the notes to the financial statements along with estimated timescales as to when the funds will be spent.

2. Donations and legacies

	Restricted funds	Unrestricted funds	Total 2018	Total 2017
	£'000	£'000	£'000	£'000
(a) Donations	102	3,273	3,375	3,165
Total donations income	102	3,273	3,375	3,165
(b) Legacies	818	7,195	8,013	7,454
Total legacies income	818	7,195	8,013	7,454
(c) Trust fund				
BBC Children in Need	-	-	-	15
BBC Children in Need - Play our way	30	-	30	35
Brian Wilson CT	-	-	-	5
Carnegie UK trust	-	-	-	5
Colchester Catalyst Charity	-	-	-	8
Gallagher	-	-	-	35
Gwyneth Forrester Trust	-	-	-	40
Hillingdon Community Trust	15	-	15	30
John James Bristol Foundation	9	-	9	8
Oliver Ford Will CT	-	-	-	5
Pears Foundation	70	-	70	120
Sovereign Health CT	-	-	-	5
The Harpur Trust	30	-	30	4
The Kathleen Laurence Trust	30	-	30	50
The McClay foundation	-	-	-	50
The Rene Horton & Joan Parkin CT	-	5	5	62
The Rix-Thompson-Rothenberg Foundation	-	-	-	5
The Theodore Roussel Memorial Trust	-	-	-	5
Bailey Thomas Charitable Trust	10	-	10	-
Graham Kirkham Foundation	10	-	10	-
Oak Foundation	-	30	30	-
Potterspur Lodge Trust	43	-	43	-
Roan Charitable Trust	-	20	20	-
Stadium Charitable Trust	25	-	25	-
The City Bridge Trust	53	-	53	-
The Constance Travis Charitable Trust	5	-	5	-
The Hugh and Ruby Sykes Charitable Trust	10	-	10	-
The McVitie Trust	60	-	60	-
The Swire Charitable Trust	10	-	10	-
The Westfield Health Charitable Trust	7	-	7	-
The Zochonis Charitable Trust	295	-	295	-
Sub-total	712	55	767	487
Other	32	55	87	87
Total trust income	744	110	854	574

	Restricted funds £'000	Unrestricted funds £'000	Total 2018 £'000	Total 2017 £'000
(d) Community Fund / Big Lottery Fund				
Big Lottery - NIRE	100	-	100	111
Cabinet Office	-	-	-	50
Heritage Lottery Fund Wales	90	-	90	89
Other	4	114	118	97
Total Community Fund / Big Lottery Fund	194	114	308	347
(e) Organisations raising funds				
Aveso	13	-	13	30
BGC Brokers LLP	-	-	-	30
Cash for Kids	-	-	-	13
Charity Sweets	-	64	64	74
Computer Sciences Corporation	-	-	-	8
Drake & Morgan	-	-	-	12
Finetix	-	-	-	8
Franklins Solicitors	-	-	-	21
Grand Opera House	-	-	-	8
HSBC	-	-	-	6
HSBC Belfast	-	-	-	11
Hymans Robertson	20	-	20	14
Land Securities	-	-	-	32
MBNA	-	66	66	29
MBNA (MPL)	-	14	14	7
Nationwide Building Society	-	10	10	5
Survey Monkey	-	-	-	11
USDAW	-	-	-	42
Vanquis Bank	100	40	140	100
Pennies	-	8	8	-
Ulster Bank Staff Charitable Fund	-	5	5	-
The Co-operative	-	23	23	-
Belfast International Airport	-	5	5	-
DXC Technology	-	15	15	-
Institute of Directors	-	11	11	-
Other	2	39	41	40
Total organisations raising funds	135	300	435	501
(f) Gifts in kind	-	79	79	13
Total gifts in kind	-	79	79	13
Total donations and legacies	1,993	11,071	13,064	12,054

3. Income from charitable activities

	Group 2018 £'000	Group 2017 £'000
Belfast Health and Social Care Trusts for Children and adults services in NIRE	308	282
Big Lottery Fund - England	-	217
Dept for Communities for employment services	359	130
Dept of Health (NI)	85	83
Department of Health for strategic partnership	-	173
European Social Fund - funding for Employment services in Northern Ireland	668	667
Health and Social Care Boards for Information, Advocacy and Children Services in Northern Ireland	-	57
Northern Health and Social Care Trusts for advocacy, children, adults services in Northern Ireland	118	112
Northern Ireland Housing Executive for Supporting People Grant	705	706
Schools & Regional Colleges for employment services in Northern Ireland	44	44
Sheffield & District Hospital Service	-	7
South Eastern Health & Social Care Trusts for children and adults services in Northern Ireland	415	336
Southern Health and Social Care Trusts for children, adults and information services in Northern Ireland	285	256
Sport England for inclusive sports project	42	62
Sure Start Partnerships in Northern Ireland for play adviser services	22	17
Western Health and Social Care trusts for children and adults services in Northern Ireland	1,486	987
Education Authority for Youth Services and Youth Hub Project	97	99
Sub-total	4,634	4,235
All other income from charitable activities (see below)	166,690	158,829
Total income from charitable activities	171,324	163,064

Other income from charitable activities primarily consists of receipts for the provision of direct service delivery within the Personal Support and Employment teams, including income from central and local government contracts.

4. Income from other trading activities

	Group 2018 £'000	Group 2017 £'000
Promotional and other sponsored events	71	256
DBS checks	526	628
Retail	1,078	149
Trust management services	384	287
	2,059	1,320

5. Investment income

	Group 2018 £'000	Group 2017 £'000
Income from listed investments	109	172
Bank interest	13	26
	122	198

6. Property income

	Group 2018 £'000	Group 2017 £'000
Rental income	15,644	14,271
Government grant income	1,087	549
Consultancy income	227	174
	16,958	14,994

Government grants included within property income are all made to Golden Lane Housing for works to adapt existing properties and to purchase new properties. There are no remaining unfulfilled conditions at 31 March 2018. All grants are repayable if Golden Lane Housing ceases business activity or the related scheme comes to an end.

7a. Total resources expended

	Staff costs £'000	Depreciation £'000	Other direct costs £'000	Reallocated support costs £'000	Total 2018 £'000	Total 2017 £'000
Raising funds:						
Costs of raising funds	1,466	-	1,976	298	3,740	4,202
Investment management costs	-	-	53	-	53	20
Trading costs of subsidiaries	819	196	2,186	-	3,201	283
	2,285	196	4,215	298	6,994	4,505
Charitable activities:						
Reducing stigma and discrimination	697	-	272	83	1,052	1,296
Making a difference here and now	138,580	1,290	26,960	14,364	181,194	179,822
Supporting friendships and relationships	486	-	380	75	941	995
Improving health	219	49	15	24	307	170
Early intervention	290	149	235	58	732	702
Employment	3,778	-	1,030	415	5,223	-
Defined benefit pension scheme finance costs	-	-	511	-	511	690
Governance	114	-	119	19	252	347
	144,164	1,488	29,522	15,038	190,212	184,022
Support costs	8,882	492	5,962	(15,336)	-	-
	155,331	2,176	39,699	-	197,206	188,527

7b. Support costs allocated

	Management £'000	Finance and IT £'000	HR £'000	Fundraising £'000	Other £'000	Total 2018 £'000	Total 2017 £'000
Costs of raising funds	50	160	47	36	5	298	389
Reducing stigma and discrimination	14	45	13	10	1	83	120
Making a difference here and now	2,416	7,735	2,251	1,735	227	14,364	16,655
Supporting friendships and relationships	13	40	12	9	1	75	93
Improving health	4	13	4	3	-	24	15
Early intervention	10	31	9	7	1	58	66
Employment	70	223	65	50	7	415	-
Governance	3	11	3	2	-	19	32
	2,580	8,258	2,404	1,852	242	15,336	17,370

8. Information reporting to employees

	Still employed	Including termination payments	Total	Total
	2018	2018	2018	2017
£60,000 - £69,999	20	1	21	17
£70,000 - £79,999	3	-	3	3
£80,000 - £89,999	4	1	5	5
£90,000 - £99,999	5	-	5	4
£100,000 - £109,999	1	-	1	-
£110,000 - £119,999	-	-	-	1
£120,000 - £129,999	1	-	1	2
£130,000 - £139,999	1	-	1	-
£140,000 - £149,999	-	-	-	1
	35	2	37	33

Of the 37 employees above, all are members of the defined contribution scheme. Payments made to the defined contribution scheme on behalf of these individuals amounted to £123,519 (2017: £111,213) for the year. Of the above employees, 2 are included as a result of salary payments paid during the year and additional termination payments made.

Trustees and senior management

The senior management of Mencap consists of the executive team. The total compensation received by members of the executive team during the year amounted to £934,777, comprising employee benefits of £846,720 (2017: £874,755) and an additional £88,057 paid to members of the executive team on temporary contracts. More details of executive remuneration can be found in the Trustees' report.

	2018	2017
	£'000	£'000
Employee costs during the year:		
Wages and salaries	144,061	133,280
Social security costs	9,442	8,890
Pension costs	1,828	1,631
Total as staff costs as per note 7a	155,331	143,801
Benefits in kind	153	153
Total employee costs	155,484	143,954

Included in the above are amounts paid to temporary staff during the year totalling £8.8m (2017: £8.3m).

Redundancy and termination payments:

Expenditure totalling £319,451 (2017: £670,937) was recognised in the year in respect of redundancy and termination payments for staff.

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

	2018	2017
	Employees (FTE)	Employees (FTE)
Reducing stigma and discrimination	21	29
Making a difference here and now	4,902	5,097
Supporting friendships and relationships	22	17
Improving health	70	61
Early intervention	11	11
Trading	40	4
Raising funds	34	34
Support costs	236	234
Governance	15	15
Employment	159	-
	5,510	5,502

The estimated average number of employees by function was:

	2018	2017
	Employees	Employees
Reducing stigma and discrimination	21	32
Making a difference here and now	7,922	7,716
Supporting friendships and relationships	22	30
Improving health	70	64
Early intervention	11	21
Trading	40	5
Raising funds	34	37
Support costs	236	259
Governance	15	17
Employment	159	-
	8,530	8,181

9. Expenses of the trustees

During the year, expenses were either paid or reimbursed for 12 (2017: 13) trustees who incurred these costs undertaking their duties on behalf of Mencap. The total amount of these expenses was £20,787 (2017: £13,428). The increase was primarily due to travel costs associated with a new programme of visits being made by trustees to Mencap operations around the United Kingdom. Members of the board of trustees are not remunerated.

10. Net incoming/(outgoing) resources for the year

	Group 2018 £'000	Group 2017 £'000
Net incoming/(outgoing) resources for the year are stated after charging:		
Depreciation and amortisation		
Own assets	2,040	2,372
Leased assets	136	114
Rentals under operating leases		
Land and buildings	3,422	3,241
Interest payable		
Interest element of finance leases	10	12
Bank interest	1,947	1,899
Defined benefit pension expenditure movement for the year	511	690
Auditors remuneration		
Audit of the group	72	70
Other non-audit work:		
• Tax	7	10

Included in the audit fee charged for the group was £58k (2017: £60k) for the audit of the parent charity.

11. Operating lease commitments

At 31 March 2018 the group has the following annual commitments under non-cancellable operating leases:

	Land and buildings 2018 £'000	Land and buildings 2017 £'000
Within one year	4,857	3,422
Within two to five years	11,483	7,254
After five years	15,821	16,995
	32,161	27,671

12. Tangible fixed assets

(a) Group

	Freehold land and buildings £'000	Assets under construction £'000	Leasehold land and buildings £'000	Fixtures, fittings and equipment £'000	Motor vehicles £'000	Total £'000
Cost or valuation						
Balance at 1 April 2017	109,402	315	6,112	3,688	1,806	121,323
Additions	530	4,837	39	1,233	297	6,936
Disposals	(976)	-	(20)	(148)	(114)	(1,258)
Transfers between classes	1,674	(1,976)	302	-	-	-
Balance at 31 March 2018	110,630	3,176	6,433	4,773	1,989	127,001
Accumulated depreciation						
Balance at 1 April 2017	8,047	-	975	2,448	1,676	13,146
Charge for the year	1,091	-	88	485	151	1,815
Disposals	(161)	-	(14)	(55)	(97)	(327)
Balance at 31 March 2018	8,977	-	1,049	2,878	1,730	14,634
Net book value at 31 March 2018	101,653	3,176	5,384	1,895	259	112,367
Less shared investment contribution	(2,471)	-	(963)	-	-	(3,434)
	99,182	3,176	4,421	1,895	259	108,933
Net book value at 31 March 2017	101,355	315	5,137	1,240	130	108,177
Less shared investment contribution	(2,471)	-	(665)	-	-	(3,136)
	98,884	315	4,472	1,240	130	105,041

(b) Company

	Freehold land and buildings £'000	Assets under construction £'000	Leasehold land and buildings £'000	Fixtures, fittings and equipment £'000	Motor vehicles £'000	Total £'000
Cost or valuation						
Balance at 1 April 2017	18,353	-	25	3,480	1,806	23,664
Additions	4	-	-	1,157	297	1,458
Disposals	-	-	-	(7)	(114)	(121)
Transfers between classes	-	-	-	-	-	-
Balance at 31 March 2018	18,357	-	25	4,630	1,989	25,001
Accumulated depreciation						
Balance at 1 April 2017	890	-	23	2,390	1,676	4,979
Charge for the year	273	-	1	468	151	893
Disposals	-	-	-	(7)	(97)	(104)
Balance at 31 March 2018	1,163	-	24	2,851	1,730	5,768
Net book value at 31 March 2018	17,194	-	1	1,779	259	19,233
Net book value at 31 March 2017	17,463	-	2	1,090	130	18,685

13. Intangible fixed assets

(a) Group		
	Software	Total
	£'000	£'000
Cost or valuation		
Balance at 1 April 2017	2,631	2,631
Additions	-	-
Disposals	-	-
Transfers between classes	-	-
Balance at 31 March 2018	2,631	2,631
Accumulated depreciation		
Balance at 1 April 2017	1,875	1,875
Charge for the year	361	361
Disposals	-	-
Balance at 31 March 2018	2,236	2,236
Net book value at 31 March 2018	395	395
Net book value at 31 March 2017	756	756

(b) Company

	Software	Total
	£'000	£'000
Cost or valuation		
Balance at 1 April 2017	2,387	2,387
Additions	-	-
Disposals	-	-
Transfers between classes	-	-
Balance at 31 March 2018	2,387	2,387
Accumulated depreciation		
Balance at 1 April 2017	1,630	1,630
Charge for the year	362	362
Disposals	-	-
Balance at 31 March 2018	1,992	1,992
Net book value at 31 March 2018	395	395
Net book value at 31 March 2017	757	757

14. Fixed asset investments

	Group	Group	Charity	Charity
	2018	2017	2018	2017
	£'000	£'000	£'000	£'000
Equities and multi-asset funds				
Market value at 1 April 2017	706	4,414	706	4,414
Acquisitions	6,887	120	6,887	120
Disposals	(895)	(4,473)	(895)	(4,473)
Net investment (losses)/gains	(122)	645	(122)	645
Market value at 31 March 2018	6,576	706	6,576	706
Bonds, cash and alternatives				
Market value at 1 April 2017	11,435	6,943	11,435	6,943
Acquisitions	41,124	8,283	41,124	8,283
Disposals	(43,496)	(3,940)	(43,496)	(3,940)
Net investment (losses)/gains	(62)	149	(62)	149
Market value at 31 March 2018	9,001	11,435	9,001	11,435
Total value at 31 March 2018	15,577	12,141	15,577	12,141
Cost at 31 March 2018	15,773	12,032	15,773	12,032

Included in market value of investments is an amount for the Mencap visiting service of £5.9m (2017: £6.0m). This amount is held in a separate investment fund for the purposes of funding the scheme in future years. The liability of the scheme is shown in note 21.

	Equities and multi-asset funds	Bonds, cash and alternatives	Total
	2018	2018	2018
	£'000	£'000	£'000
Group:			
Equities	4,953	-	4,953
Multi-asset funds	1,623	-	1,623
Bonds	-	2,901	2,901
Alternatives	-	1,409	1,409
Cash	-	4,691	4,691
Market value at 31 March 2018	6,576	9,001	15,577
Market value at 31 March 2017	706	11,435	12,141

	Equities and multi- asset funds 2018 £'000	Bonds, cash and alternatives 2018 £'000	Total 2018 £'000
Charity:			
Equities	4,953	-	4,953
Multi-asset funds	1,623	-	1,623
Bonds	-	2,901	2,901
Alternatives	-	1,409	1,409
Cash	-	4,691	4,691
Market value at 31 March 2018	6,576	9,001	15,577
Market value at 31 March 2017	706	11,435	12,141

15. Subsidiaries

The charity owns 100% of the issued capital of the following companies. Golden Lane Housing Ltd is also a registered charity in its own right:

Subsidiary undertaking	Company registration number	Charity registration number	Principal activity	Net assets/(liabilities) £'000
Blue Sky Housing Limited	4412276	-	Property development	-
Golden Lane Housing Ltd	3597323	1071097	Property management and development	47,889
Mencap Limited	889191	-	Trading activities	(24)
Mencap Promotions Limited	1016345	-	Promotional and other special events	-
Mencap Trust Company Limited	1233201	-	Discretionary trust management	68

All the above are registered in England and Wales. The governance of the charities, of which Royal Mencap Society is the sole member, is maintained by their board of trustees, who act to deliver the objectives of each charity.

The above undertakings form part of the group consolidation. Mencap has no automatic right to the gross assets or reserves of Golden Lane Housing Ltd.

Blue Sky Housing Limited remained dormant throughout the year.

16. Net income of group companies, including consolidation entries

	Blue Sky Housing Limited £'000	Mencap Trust Company Limited £'000	Mencap Limited £'000	Mencap Promotions Limited £'000	Total 2018 £'000	Total 2017 £'000
Trading subsidiaries:						
Turnover	-	384	517	150	1,051	661
Cost of sales	-	-	(269)	(40)	(309)	(94)
Gross profit/(loss)	-	384	248	110	742	567
Administration costs	-	(365)	(173)	(5)	(543)	(431)
Net profit/(loss)	-	19	75	105	199	136
Paid to Royal Mencap Society under gift aid	-	-	-	(105)	(105)	(156)
Provision for tax	-	(4)	-	-	(4)	-
Retained in subsidiaries	-	15	75	-	90	(20)

The costs of the above subsidiaries are included in the Consolidated statement of financial activities under expenditure on raising funds, less any transactions between companies within the Mencap group.

	Royal Mencap Society £'000	Golden Lane Housing £'000	Total 2018 £'000	Total 2017 £'000
Charitable companies:				
Incoming resources	186,317	16,663	202,980	191,550
Resources expended	(171,279)	(10,470)	(181,749)	(171,191)
Income/(expenditure) before administration costs	15,038	6,193	21,231	20,359
Administration costs	(11,412)	(3,381)	(14,793)	(16,939)
	3,626	2,812	6,438	3,420
Net gains/(losses) on investments	(184)	-	(184)	794
Net income/(expenditure)	3,442	2,812	6,254	4,214

17. Debtors

	Group 2018 £'000	Group 2017 £'000	Charity 2018 £'000	Charity 2017 £'000
Trade debtors	14,338	15,477	13,655	14,770
Amount due from group undertakings	-	-	4,174	4,388
Other debtors	798	528	643	507
Prepayments	2,400	1,234	1,811	911
Accrued income	11,367	7,316	11,082	6,942
	28,903	24,555	31,365	27,518

Included in the net amounts due from group undertakings is a loan from the charity to Golden Lane Housing Ltd for £3.495m (2017: £3.812m) of which £0.32m is due within one year. The loan is to be repaid in full over a period of 25 years from initial drawdown; capital paid quarterly, interest paid monthly and charged at an interest rate of 0.5% below Bank of England base rate.

18. Creditors: amounts falling due within one year

	Group 2018 £'000	Group 2017 £'000	Charity 2018 £'000	Charity 2017 £'000
Obligations under finance leases	232	196	232	196
Local society creditors	-	44	-	44
Trade creditors	2,911	2,664	2,587	2,245
Taxation and social security costs	2,468	2,424	2,468	2,271
Other creditors	3,298	3,810	3,262	3,816
Accruals	6,760	4,754	4,719	3,442
Deferred income	4,590	4,714	4,590	4,711
Current portion of long term loans	1,107	1,046	60	60
	21,366	19,652	17,918	16,785

Deferred income movement:

	Group 2018 £'000	Charity 2018 £'000
Balance at 1 April 2017	4,714	4,711
Amount released in the year	(4,714)	(4,711)
Amount deferred in the year	4,590	4,590
Balance at 31 March 2018	4,590	4,590

Grants that have been received are treated as deferred income where there is a specific requirement in the terms of the grant that the income recognition is dependent on certain activities being completed in a future accounting period(s).

At 31 March 2018, the charity holds £1,464,149 (2017: £626,384) on behalf of people we support. This balance has not been included within these financial statements.

19. Creditors: amounts falling due after more than one year

	Group 2018 £'000	Group 2017 £'000	Charity 2018 £'000	Charity 2017 £'000
Obligations under finance leases, two to five years	212	207	212	207
Debenture loan	21,000	21,000	-	-
Bank loan	23,319	24,406	840	900
	44,531	45,613	1,052	1,107

Mencap

In 2007, Mencap obtained a loan for £1.5m, repayable in equal instalments over 25 years, at an interest rate of LIBOR plus 0.95%. As at 31 March 2018, the value of the loan stood at £0.9m. The loan agreement is secured by an unlimited guarantee between Royal Mencap Society, Mencap Limited, Mencap Promotions Limited and Mencap Trust Company Limited. It is further secured by a first legal charge over our property in Peterborough.

Golden Lane Housing

Housing Bond issue

In February 2013 Golden Lane Housing issued a 5 year bond offering through Triodos Bank, an Investment Memorandum offered for subscription up to 100,000 Housing Investment Bonds with a nominal value of £100 each to a total value of £10m paying 4% interest. The funds have now been fully deployed in the purchase of 29 properties and housing 99 tenants. The bond was repaid early in January 2018.

During 2014 the company issued through the intermediary of Retail Charity Bond a new bond totalling £11m paying a yield of 4.375%. The bond issue was fully subscribed and the full £11m was duly received, the purpose being to purchase properties to rent to people with a learning disability. The funds have been fully utilised in this purpose. The bond is repayable on 29 July 2021.

In November 2017 Golden Lane Housing issued through the intermediary of Retail Charity Bond a new bond totalling £10m paying a yield of 3.9%. The bond issue was fully subscribed and the full £10m was duly received and used to refinance the 2013 bond described above. The bond is repayable in November 2027.

Loans

In August 2014 two loans held with Nationwide were refinanced, leaving Golden Lane Housing with a fixed term loan of £704,823 secured on freehold land and buildings. The interest rate is fixed until June 2025.

The remaining loans are provided by Triodos and are a combination of fixed and variable rates.

The group loans are repayable as follows:

	2018	2017
	£'000	£'000
Under 1 year	1,107	1,046
Between 1-2 years	1,127	11,086
Between 2-5 years	14,653	14,514
Over 5 years	28,539	19,806
	45,426	46,452

20. Financial instruments

	Group	Group	Charity	Charity
	2018	2017	2018	2017
	£'000	£'000	£'000	£'000
Financial assets measured at amortised cost (a)	38,869	42,865	35,667	37,797
Financial assets measured at fair value (b)	15,577	12,141	15,577	12,141
Financial liabilities measured at amortised cost (c)	(58,839)	(58,083)	(11,912)	(10,866)

(a) Financial assets include cash, trade debtors, intercompany debtors, other debtors and accrued income

(b) Financial assets held at fair value consist of investments. Fair value is the market value of these investments as determined by quoted prices in an active market

(c) Financial liabilities include trade creditors, other creditors, finance leases, bonds, loans and accruals

The group's income, expense, gains and losses in respect of financial instruments are summarised below:

	Income	Expense	Gains/	Income	Expense	Gains/
	2018	2018	(losses)	2017	2017	(losses)
	£'000	£'000	£'000	£'000	£'000	£'000
Financial assets measured at amortised cost	13	-	-	26	-	-
Financial assets measured at fair value	109	-	(184)	172	-	794
Financial liabilities measured at amortised cost	-	(1,958)	-	-	(1,911)	-

21. Provisions for liabilities and charges

(a) Group

	Mencap	Dilapidations	Employee	Other	Total
	visiting		benefits		
	service				
	£'000	£'000	£'000	£'000	£'000
Balance at 31 March 2017	5,436	755	980	536	7,707
Amount utilised in the year	(319)	(17)	(980)	-	(1,316)
Amount released in the year	(511)	(77)	-	(208)	(796)
Amount provided in the year	-	637	834	249	1,720
Balance at 31 March 2018	4,606	1,298	834	576	7,314

(b) Company

	Mencap	Dilapidations	Employee	Other	Total
	visiting		benefits		
	service				
	£'000	£'000	£'000	£'000	£'000
Balance at 31 March 2017	5,436	755	980	535	7,706
Amount utilised in the year	(319)	(17)	(980)	-	(1,316)
Amount released in the year	(511)	(77)	-	(209)	(797)
Amount provided in the year	-	372	834	249	1,455
Balance at 31 March 2018	4,606	1,033	834	576	7,049

22. Analysis of assets and liabilities between funds

Group

	Restricted	Unrestricted	Total	Restricted	Unrestricted	Total
	funds	funds	2018	funds	funds	2017
	£'000	£'000	£'000	£'000	£'000	£'000
Fixed assets	29,213	95,692	124,905	28,376	89,562	117,938
Current assets	4,783	37,532	42,315	3,718	40,437	44,155
Liabilities	(5,480)	(78,506)	(83,986)	(5,704)	(87,932)	(93,636)
Total	28,516	54,718	83,234	26,390	42,067	68,457

23. Group funds

	Balance 1 April 2016	Incoming resources	Outgoing resources	Transfers	Gains and losses	Balance 1 April 2017	Incoming resources	Outgoing resources	Transfers	Gains and losses	Balance 31 March 2018
	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000
Restricted											
Homes	295	48	(77)	(1)	-	265	7	(12)	-	-	260
Inspired Educators	13	-	(11)	-	-	2	-	(2)	-	-	-
Learning and Development restricted training	23	-	(37)	15	-	1	-	-	-	-	1
Mencap visiting service	774	211	(1,319)	-	638	304	98	479	-	(90)	791
NewBe project	4,272	77	(252)	(211)	-	3,886	10	(233)	-	-	3,663
Research fund	19	-	-	-	-	19	-	-	-	-	19
Rothenberg Fellowship	125	-	(6)	-	-	119	-	-	-	-	119
Rothenberg Memorial Trust	28	-	-	-	-	28	-	-	-	-	28
Service provision - Communities & Programmes	550	358	(359)	(131)	-	418	246	(392)	97	-	369
Service provision - Lifestyles & Work	291	481	(367)	53	-	458	449	(528)	-	-	379
Service provision - Personal Support	407	1,995	(1,957)	(97)	-	348	1,936	(1,922)	15	-	377
Service provision - Strategy & Influence	492	1,388	(1,440)	341	-	781	1,250	(1,477)	(49)	-	505
Service provision - other	913	115	(44)	(108)	-	876	1,038	(31)	299	-	2,182
Service provision - Golden Lane Housing	18,356	549	(55)	(104)	-	18,746	1,056	(150)	32	-	19,684
Young Ambassadors	172	-	(53)	-	-	119	-	-	-	-	119
Special contingency	20	-	-	-	-	20	-	-	-	-	20
	26,750	5,222	(5,977)	(243)	638	26,390	6,090	(4,268)	394	(90)	28,516
Unrestricted											
General	52,857	186,719	(181,753)	(1,655)	156	56,324	197,658	(192,250)	(2,230)	(94)	59,408
Designated reserves:											
Maintenance funds	244	-	-	-	-	244	-	-	(244)	-	-
Seed capital	28	-	-	-	-	28	-	-	87	-	115
VAT for development project	57	-	-	-	-	57	-	-	(57)	-	-
Non-repayable grants	5,514	-	-	(38)	-	5,476	-	-	(109)	-	5,367
Tenants support fund	603	-	-	-	-	603	-	-	-	-	603
Greengates Charity	60	-	-	(60)	-	-	-	-	-	-	-
Pension deficit	(20,536)	-	(797)	1,996	(1,328)	(20,665)	-	(688)	2,159	8,419	(10,775)
	38,827	186,719	(182,550)	243	(1,172)	42,067	197,658	(192,938)	(394)	8,325	54,718
Total funds	65,577	191,941	(188,527)	-	(534)	68,457	203,748	(197,206)	-	8,235	83,234

Restricted funds

Restricted funds include the following unexpended balances of donations and grants held in trust to be applied for specific purposes. Mencap holds sufficient resources in an appropriate form to enable each fund to be applied in accordance with its restrictions:

- Homes - specific bequests to residential care homes
- Inspired Educators - used to fund a project that works with head teachers and Special Educational Needs coordinators to support them in ensuring that teaching assistants are properly employed to support children with SEN.
- Learning and Development restricted training - extra funding provided by the Big Lottery Fund to concentrate on improving one or two particular aspects of Mencap's skills and knowledge in a way that is likely to have lasting impact on the organisation's work.
- Mencap visiting service - special trust used to provide regular visitors to people with a learning disability.
- NewBe project - capital project in Northern Ireland funding the construction of a new building for an early intervention centre for children with learning disabilities and their families, and a new headquarters for Mencap in Northern Ireland.
- Research fund - used to sponsor medical research into the causes of learning disabilities.
- Rothenberg Fellowship - used to sponsor students from overseas to study learning disabilities, with an aim of increasing international awareness.
- Rothenberg Memorial Trust - provides income for the special contingency fund.
- Service provision - restricted by funders and donors to specific areas of Mencap and Golden Lane Housing's core services. In each of the areas listed, restricted funds are utilised for the purposes specified in their restriction to further Mencap's activities. More information about Mencap's work in these areas, funded by a combination of restricted and unrestricted funds, can be found in the Trustees' report.
- Young Ambassadors - supports young people aged 16 to 25 with a learning disability who volunteer with Mencap as part of a 6 month programme, to support the work Mencap does, and to develop their employability skills.
- Special contingency - funded by the Rothenberg Memorial Trust for use at the discretion of the chief executive.

Designated funds

Unrestricted funds have been specifically designated by Golden Lane Housing for the following purposes:

- Maintenance funds - for prudence, Golden Lane Housing held an amount in designated funds to cover the potential dilapidation liability for all leased properties. During the year, it decided to make a specific provision for dilapidations and therefore released this designated fund.
- Seed capital - an amount is designated to be used in adapting properties for existing tenants. It has increased due to further donations during the year. This will be used where required to make future schemes viable, and the timing is therefore uncertain.
- VAT for development project - this amount was saved from the building cost of two properties by applying the Notice 708 of HMRC, but would be repayable if the properties were sold within ten years of March 2007. In April 2017 it was transferred to general reserves.

- Non-repayable grants - this amount has been used to finance the purchase and development of properties held in fixed assets. The properties are depreciated over 100 years. Funds will be reinvested in capital should the properties be disposed of, but there are currently no plans to do so.
- Tenants support fund - this fund was set up in 2012/13 to cover possible future changes to government policy regarding the payment of exempt rents. It will be maintained at the same level until the impact of universal credit on Golden Lane Housing is clearly determined. The timing of this is uncertain.
- Greengates Charity - Greengates, a London-based charity, donated £60,000 in 2012/13 to be used for future housing projects within the London area providing housing for people with a learning disability. These funds were utilised in the prior year on a property in Slough (£41,000) and a property in Redbridge (£19,000).

Transfers

In addition to the transfers related to restricted and designated funds detailed above, £2,159,000 was transferred from general restricted reserves to the pension deficit during the year. This corresponds with the actual cash payments made by the group to reduce the pension deficit.

24. Pension scheme

Mencap operates a number of pension schemes for the benefit of its employees. At 31 March 2009, Mencap's defined benefit scheme was closed to future accruals. This means that Mencap will fund the benefits that staff have earned to that date, but does not offer the same benefit moving forward due to the inherent risk involved in running this type of scheme.

Staff are, however, able to save for their retirement through a defined contribution scheme to which Mencap contributes. All contributions are expensed in the year that they are made.

In addition to the above, Mencap participates in the Nottinghamshire County Council Pension Fund in respect of a small number of staff who have transferred over to Mencap. Mencap participates in this scheme by way of an admission agreement. In relation to this scheme Mencap currently has 19 active employees. Full provision has been made in the financial statements for this scheme. However as the liability is not material, detailed disclosure has been limited so as not to distort or overstate the importance of this scheme within Mencap's overall finances.

At 31 March 2016, Mencap was also participating in the Staffordshire County pension fund in respect of a single active member of staff. This employee has now left Mencap, but a management estimate of the scheme liability is included pending the final liability being settled.

Mencap pension scheme

This scheme is valued annually for the purposes of the annual report and accounts. This valuation, which is carried out under specific accounting rules and detailed in full below, is made so that Mencap can account for the pension liability on its balance sheet.

The trustees of the pension scheme undertake their own formal valuation once every three years. This valuation provides the basis for agreeing the amounts that Mencap will pay each year to fund the scheme. The last valuation for this purpose was undertaken in March 2017. Following the previous valuation in March 2014, Mencap agreed a schedule of contributions with the pension scheme trustees to settle the pension deficit over a period of 17 years.

From the year ended March 2016 and going forward Mencap agreed to make the following cash payments to the scheme:

For the period 1 April 2015 to 31 March 2016 £ 4 million

For the periods 1 April 2016 to 31 March 2028 £ 2.1m per annum

At the end of March 2018 the total scheme liabilities were valued at £140.1 million and the assets at £131.2 million. The net deficit is therefore £8.9 million. This compares with a net deficit of £18.8 million reported last year.

The following assumptions have been used to place a value on the retirement benefit obligations of the charity:

Financial assumptions

	31 March 2018 % per annum	31 March 2017 % per annum
Retail price inflation (% p.a.)	3.25%	3.30%
Consumer price inflation (% p.a.)	2.25%	2.30%
Discount rate	2.65%	2.60%

The demographic assumptions used are:

Longevity assumptions as at 31 March 2018

	Male	Female
Base table	Bespoke 2016 Club VITA tables	
Future improvements	CMI 2016 model with a long term improvement of 1.5% and a smoothing parameter of $S_k = 8.0$	CMI 2016 model with a long term improvement of 1.5% and a smoothing parameter of $S_k = 8.0$

Life expectancies as at:

	31 March 2018		31 March 2017	
	Males	Females	Males	Females
Average future life expectancy (in years) for a pensioner aged 65 at 31 March 2018	21.5	24.2	22.1	24.9
Average future life expectancy (in years) at age 65 for a non-pensioner aged 45 at 31 March 2018	23.8	26.4	24.4	26.7

Based on these assumptions, the balance sheet position is as follows:

Assets

	Fund value 31 March 2018 £'000	Fund value 31 March 2017 £'000
Equities	19,100	36,261
Corporate bonds	25,500	24,744
Government bonds	-	1,374
Real estate	-	3,971
Insurance contracts	3,107	2,440
Cash and cash equivalents	2,857	3,427
Alternatives	43,300	12,851
Emerging market debt	6,300	4,092
LDI	31,000	38,494
Total value of assets	131,164	127,654
Actuarial (value) of liabilities	(140,109)	(146,428)
Surplus/(deficit) of funded plan liabilities	(8,945)	(18,774)
Actuarial (value) of unfunded plan liabilities	-	-
Irrecoverable (surplus)	-	-
Surplus/(deficit) recognised in balance sheet	(8,945)	(18,774)
Related deferred tax liability	-	-
Net pension asset/(liability)	(8,945)	(18,774)

Reconciliation of plan benefit obligation

	31 March 2018 £'000	31 March 2017 £'000
Opening defined benefit obligation	146,428	124,998
Current service cost	-	-
Administration costs	-	-
Interest cost	3,750	4,297
Contributions by plan participants	-	-
Actuarial (gains)/losses	(5,590)	21,474
Past service cost	-	-
Losses/(gains) on curtailments	-	-
Liabilities (extinguished) on settlements	-	-
Liabilities assumed in a business combination	-	-
Exchange differences	-	-
Benefits (paid)	(4,479)	(4,341)
Closing defined benefit obligation	140,109	146,428

Reconciliation of fair value of plan assets

	31 March 2018 £'000	31 March 2017 £'000
Opening fair value of plan assets	127,654	105,770
Interest income	3,289	3,655
Contributions by plan participants	-	-
Contributions by Royal Mencap Society	2,100	1,925
Actual return on assets excluding amounts included in net interest	2,600	20,645
Assets distributed on settlements	-	-
Assets acquired in a business combination	-	-
Exchange differences	-	-
Benefits (paid)	(4,479)	(4,341)
Closing fair value of plan assets	131,164	127,654

Analysis of amount charged to operating profit

	31 March 2018 £'000	31 March 2017 £'000
Current service cost	-	-
Administration costs	-	-
Past service (cost)	-	-
(Losses)/gains on curtailments and settlements	-	-
Total operating charge	-	-

Analysis of amount credited to other finance income

	31 March 2018 £'000	31 March 2017 £'000
Interest income on plan assets	3,289	3,655
(Interest) on plan liabilities	(3,750)	(4,297)
Impact of asset ceiling on net interest	-	-
Net interest on defined benefit liability	(461)	(642)
Total amount charged to profit & loss (total operating charge less net interest)	(461)	(642)

Analysis of amount recognised in other comprehensive income (OCI)

	31 March 2018 £'000	31 March 2017 £'000
Actual return on assets excluding amounts included in net interest	2,600	20,645
Actuarial gains/(losses) on plan obligations	5,590	(21,474)
Remeasurement gain/(loss) in plan	8,190	(829)
Decrease/(increase) in irrecoverable surplus from membership fall and other factors	-	-
Remeasurement gain/(loss) recognised in OCI	8,190	(829)

Sensitivity analysis

Change in assumptions compared with 31 March 2018 actuarial assumptions:

	Actuarial value of liabilities on 31 March 2018 £'000
Base case	140,109
-0.5% decrease in discount rate	154,196
1 year increase in member life expectation	145,713
+0.5% change in inflation	149,385

Local authority pension schemes

Nottinghamshire County Council Pension Fund

The Nottinghamshire County Council Pension Fund is a defined benefit scheme with 19 members at 31 March 2018. The assets of the scheme are held separately from those of the charity in an independently administered fund.

The agreed employer's contribution rate for the year to March 2018 was 14.4% and this was expensed during the year. Contributions have been set at 14.4% for 2018/19.

The estimated asset allocation at 31 March 2018 revealed that Mencap's share of liabilities of the scheme exceeded the value of Mencap's share of the scheme's assets by £1.78 million. This deficit has been treated as an expense during the year and is included in the balance sheet.

Staffordshire County pension fund

The Staffordshire County pension fund is a defined benefit scheme. The assets of the scheme are held separately from those of the charity in an independently administered fund.

The pension scheme valuation at 31 March 2014 indicated that Mencap's share of liabilities of the scheme exceed the value of Mencap's share of the scheme's assets by £48,000. As any movements in the deficit would not be material to the accounts, a new valuation has not been obtained for the year to 31 March 2018.

Mencap had no active members in the pension scheme in the year to 31 March 2018 and did not expense employer contributions during the year.

Other local government pension schemes

Mencap also participates in four other local government pension schemes. However, as there are no remaining active members, and in view of the cost of obtaining disclosures and the likely liability being immaterial in the context of overall Mencap results, no account or disclosures are made for these four schemes.

Dyfed Pension Fund	No active members
Clwyd Pension Fund (Flintshire)	No active members
Powys Pension fund	No active members
Shropshire County Pension Fund	No active members

The following assumptions have been used to place a value on the retirement benefit obligations of the charity:

Financial assumptions

	31 March 2018 % p.a.	31 March 2017 % p.a.
RPI increases	3.30%	3.60%
CPI increases	2.30%	2.70%
Salary increases	3.80%	4.20%
Pension increases	2.30%	2.70%
Discount rate	2.60%	2.80%

The demographic assumptions used are:

Life expectancy from age 65

	31 March 2018	31 March 2017
Retiring today:		
Males	22.6	22.5
Females	25.6	25.5
Retiring in 20 years:		
Males	24.8	24.7
Females	27.9	27.8

Based on these assumptions, the balance sheet position is as follows:

	31 March 2018 £'000	31 March 2017 £'000
Present value of the defined benefit obligation	(4,147)	(4,087)
Fair value of Fund assets (bid value)	2,365	2,244
Deficit	(1,782)	(1,843)

Reconciliation of present value of the defined benefit obligation

	31 March 2018 £'000	31 March 2017 £'000
Opening defined benefit obligation	4,087	2,951
Current service cost	176	105
Interest cost	114	115
Change in financial assumptions	(232)	1,097
Change in demographic assumptions	-	109
Experience loss/(gain) on defined benefit obligation	-	(279)
Liabilities assumed/(extinguished) on settlements	-	-
Estimated benefits paid net of transfers in	(24)	(38)
Past service costs, including curtailments	-	-
Contributions by scheme participants	26	27
Unfunded pension payments	-	-
Closing defined benefit obligation	4,147	4,087

Reconciliation of the fair value of Fund assets

	31 March 2018	31 March 2017
	£'000	£'000
Opening fair value of Fund assets	2,244	1,690
Interest on assets	64	67
Return on assets less interest	(3)	328
Other actuarial gains/(losses)	-	100
Administration expenses	(1)	(1)
Contributions by employer including unfunded	59	71
Contributions by Fund participants	26	27
Estimated benefits paid plus unfunded net of transfers in	(24)	(38)
Settlement prices received/(paid)	-	-
Closing defined benefit obligation	2,365	2,244

Analysis of amount charged to operating profit

	31 March 2018	31 March 2017
	£'000	£'000
Current service (cost)	(176)	(105)
Administration costs	(1)	(1)
Past service cost	-	-
(Losses)/gains on curtailments and settlements	-	-
Total operating charge	(177)	(106)

Analysis of amount credited to other finance income

	31 March 2018	31 March 2017
	£'000	£'000
Interest income on plan assets	-	-
(Interest) on plan liabilities	(50)	(48)
Impact of asset ceiling on net interest	-	-
Net interest on net define benefit liability	(50)	(48)
Total amount charged to profit & loss (total operating charge less net interest)	(227)	(154)

Analysis of amount recognised in other comprehensive income (OCI)

	31 March 2018	31 March 2017
	£'000	£'000
Return on plan assets in excess of interest	(3)	328
Other actuarial gains/(losses) on assets	-	100
Change in financial assumptions	232	(1,097)
Change in demographic assumptions	-	(109)
Experience gain/(loss) on defined benefit obligation	-	279
Changes in effect of asset ceiling	-	-
Remeasurement of the net assets/(defined liability)	229	(499)

Summary of amounts disclosed in the accounts

Amount recognised in operating profit/(loss)

	2018	2017
	£'000	£'000
Mencap pension scheme	-	-
Nottinghamshire County Council Pension Fund	(177)	(106)
	(177)	(106)

Amount recognised in finance income

	2018	2017
	£'000	£'000
Mencap pension scheme	(461)	(642)
Nottinghamshire County Council Pension Fund	(50)	(48)
	(511)	(690)

Amount recognised in other recognised gains/(losses)

	2018	2017
	£'000	£'000
Mencap pension scheme	8,190	(829)
Nottinghamshire County Council Pension Fund	229	(499)
	8,419	(1,328)

Defined benefit pension liability

	2018	2017
	£'000	£'000
Mencap pension scheme	(8,945)	(18,774)
Nottinghamshire County Council Pension Fund	(1,782)	(1,843)
Staffordshire County pension fund	(48)	(48)
	(10,775)	(20,665)

25. Related parties

Donations totalling £100 were received from related parties during the year without conditions.

Group companies

During the year, the following transactions took place between Royal Mencap Society and its subsidiaries:

- Mencap Trust Company Limited paid its annual management fee to the charity - £283,562
- Mencap Promotions Limited paid annual earnings of £104,876 to the charity by way of gift aid
- A total of £225,090 of other expenses incurred within the group were reallocated between the charity and its subsidiaries

At 31 March 2018, the following intercompany balances were outstanding between the charity and its subsidiaries:

	2018 £'000	2017 £'000
Golden Lane Housing Ltd - loan	3,495	3,813
Golden Lane Housing Ltd - other	134	83
Mencap Limited	87	135
Mencap Promotions Limited	18	74
Mencap Trust Company Limited	283	284
	4,017	4,389

26. Volunteers

During the year, Mencap received the generous donation of time from a great many volunteers. They provided contributions to a number of activities, as follows:

	2018 Number of volunteers
Raising funds:	
Raising funds	445
Trading	436
Total raising funds	881
Charitable activities:	
Reducing stigma and discrimination	56
Making a difference here and now	479
Supporting friendships and relationships	116
Improving health	4
Early intervention	14
Employment	105
Support costs	123
Total charitable activities	897
	1,778

27. Capital commitments

At 31 March 2018, the group has the following capital commitments. All are commitments of Golden Lane Housing Ltd:

	2018 £'000	2017 £'000
Capital expenditure contracted but not provided for in the financial statements	176	177
Capital expenditure authorised by the board of Golden Lane Housing Ltd but not contracted for	10,000	1,091
	10,176	1,268

These commitments are expected to be financed with:

	2018 £'000	2017 £'000
Proceeds from the sale of properties	176	1,268
Committed loan facilities	10,000	-
	10,176	1,268

The above amounts include the full cost of shared ownership properties contracted for.

28. Contingent liabilities

Contingent liabilities over freehold land and buildings

A number of properties have been acquired over the past years with resources provided by local councils. Some of these properties held are subject to a separate charge that requires either a share or all of the proceeds on sale to be returned to the local councils, if the specific properties do not continue to be used for their current purpose. As there is currently no intention to stop using these assets for their current use, the potential liability has not been recorded in the balance sheet.

29. Events after the end of the reporting period

Non-adjusting events occurring after the end of the reporting period

On 13 July 2018, the Court of Appeal issued its judgment in Royal Mencap Society v Tomlinson-Blake [2018] EWCA Civ 1641. This provided clarity over the law around National Minimum/Living Wage and non-contractual sleep-in hours for our support workers. In light of this judgment, the trustees no longer consider there to be a contingent liability.



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