

WATFORD AND DISTRICT MENCAP SOCIETY

Directors' Report And Financial Statements

For the year ended 31 March 2010

Registered Company No. 2636705

Registered Charity No. 1004431

WATFORD AND DISTRICT MENCAP SOCIETY

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**WATFORD AND DISTRICT MENCAP SOCIETY
COUNCIL OF MANAGEMENT**

Council of Management

Mr D Eungblut (Chairman)
Mr A Loose (Retired October 2009)
Mrs P Robertson
Mr R Teague
Mrs K J Watts
Mrs L C Green
Mrs P Joy (Acting Vice Chairman)
Mr A Perahia

Director

Miss J Pattinson

Auditors

Kingston Smith LLP
105 St Peter's Street
St Albans
Hertfordshire
AL1 3EJ

Principal Bankers

Natwest
72 High Street
Watford
Hertfordshire

Registered Company number: 2636705
Registered Charity number: 1004431

WATFORD AND DISTRICT MENCAP SOCIETY

REPORT OF THE COUNCIL OF MANAGEMENT

Structure, Governance and Management

Governing Document

Established in the 1950s, the organisation is a charitable company limited by guarantee, incorporated on 9 August 1991 and originally registered as a charity on 15 October 1991. The company was established under a Memorandum of Association which set out the objects and powers of the charitable company and is governed under its Articles of Association. A revised Memorandum and Articles of Association were approved by the members at the Annual General Meeting (AGM) in 2005. A further amendment to the Articles was approved at the AGM in 2007. In the event of the company being wound up members are required to contribute an amount not exceeding £1.

Recruitment and appointment of Council of Management

The directors of the company are also charity trustees for the purposes of charity law and under the company's Articles are known as members of the Council of Management. Under the requirements of the Memorandum and Articles of Association the members of the Council of Management are elected to serve for a period of three years after which they must be re-elected at the next Annual General Meeting.

At the Annual General Meeting in 2009, Alf Loose retired after many decades of service to the Society. Albert Perahia, Don Eungblut, Pauline Joy and Pam Robertson retired by rotation and were re-elected. A full list of members of the Council of Management who served during the year and up to the date of this report is set out on page 1. The board has identified the need to recruit additional trustees with appropriate skills and this will form part of the governance review taking place over the summer of 2010.

Mindful of the focus of the organisation's work on the needs of those with learning disabilities and their families, the Council of Management seeks to ensure that user and carer views are represented alongside wider business and organisational skills on the management committee. The Involvement Group provides two elected representatives as co-opted members who attend Council of Management meetings to ensure that the views of the group are put forward and given due consideration. During the year the Involvement Group representatives were Sylvia Hatch and Clive Joll.

Trustee Induction and Training

In line with current best practice a trustee induction pack and programme are in place to ensure that all new trustees will be aware of their roles and responsibilities. This includes:

- Trustee's role and duties;
- Charity Commission publications;
- Memorandum, Articles, Strategic Review and Business Plan;
- Previous three years published accounts;
- Visit plan to all sites and services;
- Meetings with all senior management members.

Risk Management

The Council of Management has conducted a review of the major risks to which the charity is exposed. A risk register has been established to identify these risks and the systems or procedures in place, as well as action to be taken, to mitigate them. This is regularly updated, reviewed quarterly by the Finance & Audit Committee and is included in the annual Business Plan.

External risks to funding are constantly monitored and alternative sources sought. Regulatory and legal requirements are implemented and monitored to ensure the delivery of consistently high quality services. Internal control risks are minimised by strict authorisation procedures.

Organisational Structure

Watford Mencap has a Council of Management of up to 12 members who meet quarterly and are responsible for the strategic direction and policy of the charity. On 31 March 2010 the Council of Management had 7 full members and 2 co-opted members from a variety of backgrounds relevant to the work of the charity, including two service users and two carers.

WATFORD AND DISTRICT MENCAP SOCIETY

REPORT OF THE COUNCIL OF MANAGEMENT (CONTINUED)

Day to day responsibility for provision of the services is delegated to the Director who leads the senior management team. This team is responsible for ensuring that the charity delivers the services specified and that key performance indicators are met.

Monitoring of operational performance is undertaken by the sub-committees (some of which have specialist co-opted members): Finance & Audit; Resource Management; Fundraising & External Relations and Operations Management, which meet quarterly and report to the Council of Management.

As mentioned above, the Society is at present conducting a full review to ensure that all governance structures, processes and future plans meet the current and ongoing requirements of the organisation.

Royal Mencap

Watford Mencap is an independent charity, but it is affiliated to the umbrella organisation Royal Mencap. Watford Mencap pays an annual affiliation fee for the right to use the Mencap name and must also comply with the requirements of the Royal Mencap Membership Agreement which sets out minimum standards in terms of policies and procedures for organisations using the Mencap name. There is no financial support from the national organisation, but it does have the power, under the Articles of Association, to dismiss trustees who bring the Mencap name into disrepute.

Objectives and Activities

Objects and Strategy

The charity's objects are set out in the Articles of Association and are:

- The relief of people with a learning disability in particular by the provision of help and support for them and their families, dependants and carers and to prevent or alleviate learning disabilities for the public benefit by education, research and life-enhancing medical intervention.
- The provision or assistance in the provision of facilities for the recreation or other leisure time occupation for people who have need thereof by reason of learning disability with the object of improving their conditions of life.

"Learning disability" means any developmental disability of the mind and any associated condition howsoever caused and whether mild, moderate or severe.

The charity aims to achieve its objects by seeking to provide user-led and person-centred services which enable people with a learning disability make the most of life. Services are constantly under review in the light of user needs, government policy, funding availability, and changing needs and practices. Watford Mencap seeks to work with other voluntary and statutory organisations to promote the welfare of people with a learning disability.

Public Benefit and Activities

All of the Society's activities focus on the objects set out in the Articles of Association noted above. It is the Society's aim to become the first port of call for all people with a learning disability, their families and carers to help, in partnership with all other relevant organisations, to alleviate the difficulties caused by disability and improve the quality of life experienced by those by disability. There are no restrictions on access to the Society's services other than the Society's capacity and capability to provide the support required.

People with learning disability are one of the least understood, least visible and most vulnerable sections of our society. They are also a sizeable group. The Joint Commissioning Strategy for Learning Disability Services in Hertfordshire 2009-12 notes that, according to a generally accepted 2004 report, the national rate of prevalence of learning disability is 2% of the adult population. This would suggest an adult population just in excess of 4,300 in the areas of Watford, Three Rivers and Hertsmere, which the Society serves. This figure is expected to increase over the next few years due to increased life expectancy, improving childhood survival rates and general health care and better diagnosis. Hertfordshire has a somewhat higher rate than the national average due to local conditions related to past funding and placement practices, especially the presence of old long stay hospitals.

WATFORD AND DISTRICT MENCAP SOCIETY

REPORT OF THE COUNCIL OF MANAGEMENT (CONTINUED)

In seeking to serve this section of society Watford Mencap has developed a wide range of services, including:

- **Residential** – We run four registered residential homes in Oxhey, South Oxhey, Rickmansworth and Chorleywood. These (together with the supported living service) constitute some 59% of the Society's budget. These properties are home to 27 people, who are cared for and enabled to lead fulfilling lives, based on their own choices as far as possible by the Society's staff;
- **Supported living** – We provide support for the 9 tenants of three shared properties. These are individuals who are able to live independently, but require regular support, for example, to manage their finances or organise their shopping or cleaning;
- **Leisure** – We organise leisure activities supported by volunteers. There are some 100 participants and currently 39 volunteers undertaking all sorts of activities including computer training, art workshops, going to football games, meals out and African drumming sessions. The fitness project included multi sports, healthy living, nutrition and gym sessions. Increasingly, there is also support for people to organise their own social activities, which some find very difficult. The participants, who enjoy a wide range of activities, gain in confidence as a result of social interaction with other members and volunteers. For many participants these outings have removed isolation as well as providing respite breaks for their carers. The project has also created opportunities for local sixth form students to volunteer with Watford Mencap.
- There are also activity schemes for college holidays, supported holidays and outings. The college holiday activity schemes take place in the holiday periods and provide activities for people with learning disabilities who are at home during those periods. The Community Support Team also organise and take part in both A-Whileaway holiday breaks and the Structured Leisure Break Scheme.
- **Children's** – The children's services based at the Lemarie Centre in Watford (the only facility in South West Hertfordshire able to accommodate all children regardless of their disability) provide a Saturday club, after-school groups and youth club as well as holiday playschemes. The aim of these services is not only to provide a stimulating and enjoyable activity for the young people themselves, but also to provide respite for their families and siblings, for whom living with disability can be equally debilitating. We also try to involve as many local young volunteers as possible to broaden awareness and benefit them with greater understanding of disability, and above all, to allow positive relationships to grow between young people, who would otherwise have little opportunity to get to know one another. The Saturday club, financed by a grant from Hertfordshire County Council's 513 Prevention Fund was attended by 57 children, while the after school clubs, supported entirely by Watford Mencap's own fundraising, ran on five nights of the week during term time with 66 children attending. The play schemes, financed by Hertfordshire County Council (HCC) ran during the summer, Christmas and Easter holidays for 21 days in total and 119 families used them;
- **Community** – Our Community Support team provide individualised and person-centred support for clients with learning disabilities. They support people to manage their daily lives, develop their existing skills, get access to other services as required and enjoy social and leisure opportunities;
- **Advice and advocacy** – The team undertook campaigning, advice, advocacy services and supported speaking up groups for people with learning disabilities, their families and carers. The advice service has the Community Legal Services Quality Mark and aims to help navigate the complex funding and legal issues which complicate life with learning disability. On average, the service receives some 30 referrals and 11 new clients a month. These result in some 320 actions each month which recently included assisting in finding voluntary work, claiming working tax credit, applying for grants, challenging decisions on disability living allowance and providing information on housing and leisure queries. The service also provides back up to other organisations in their dealings with people with learning disabilities and worked with schools in Watford to offer support to children with learning disabilities through the Targeting Mental Health in Schools initiative. Advocacy is provided where required and support to enable people to speak up for themselves is provided by a number of groups which meet regularly and have a total of 37 members. Watford Mencap runs its own involvement project to gain feedback from service users on the organisation and its services and its governance review, currently underway, will look at extending this into all areas of the Society's governance;
- **Little Martins** – This is an individual service fund agreement supporting 2 young men to live in their own home. While Watford Mencap provide the management support to run the services required, the young men run their own budget and make the decisions from who is recruited to work in the project to how the budget is spent;

WATFORD AND DISTRICT MENCAP SOCIETY

REPORT OF THE COUNCIL OF MANAGEMENT (CONTINUED)

- **New Solutions** – Extending the learning from the Little Martins project, we are assisting people with learning disabilities and their family carers to enjoy the full benefits of self-directed support and individual budgets;
- **Watford and Bushey charity shops** – The shop managers are supported by large teams of volunteers, raising funds for the charity whilst also providing work experience for people with learning disabilities;
- **E-bay store and trading initiatives** – Trading donated goods on e-bay provides not only income, but a useful way to involve volunteers and members;
- **Workforce development project** – This provides training and development opportunities for staff and volunteers.

These services are supported by: a funding and business development department, an internal and commercial services team, human resources and a finance department.

Watford Mencap has a service user base of just over 500 for its various services. This is a significant proportion, but not all, of the people with learning disabilities believed to live in our geographical area. It is our aim to raise awareness of learning disability among the wider population and of our existence and services among those with learning disabilities and their families and carers, as well as other relevant professionals, in the hope that this will prove of benefit to all. Ultimately, we would like to act as a central point of contact in relation to learning disability, providing information, contacts, advocacy and, where relevant and possible, services to all who need them.

The members, staff and volunteers of Watford Mencap strongly believe in the importance and worth of every individual in our society. The aim inherent in all of the organisation's activities is to enable and facilitate the ability of people with learning disability to make the choices that most of us take for granted. By making our contribution to this aim, we hope to provide the public benefit of not only alleviating the potential distress and waste of individuals frustrated by the inability to lead a fulfilling life and the associated impact on their families and carers, but also, in some small way, to make our wider society more tolerant, compassionate and inclusive.

Staff and Volunteers

Watford Mencap benefits greatly from the commitment of its staff, who numbered on average 72 (full-time equivalents) during the year. It also benefits from the support of a number of volunteers in the head office, in the shops, in fundraising activities and in the children's centre. The contribution of the 120 volunteers who worked with the society over the year is estimated to be approximately 16,000 hours (which represents the equivalent of approximately 9.5 full-time staff) and their contribution is gratefully acknowledged.

Achievements and Performance

Review of 2009-10 Objectives

These were the objectives set out for 2009-10 in the trustees' report last year and in the Watford Mencap Business Plan. Performance against each objective is reported on by the Director to the Council of Management at the quarterly meetings.

Brought forward objectives – Society

- Renew office lease
- Implement disaster recovery plan
- Replace 50% of office IT
- Continue website development
- Replace finance package

Brought forward objectives – Projects

- Introduce IT to Children's Centre
- Purchase replacement vehicle for Thorpedale
- Undertake significant residential maintenance
- Take part in "Raising Your Game Project" with Royal Mencap

WATFORD AND DISTRICT MENCAP SOCIETY

REPORT OF THE COUNCIL OF MANAGEMENT (CONTINUED)

Brought forward objectives – Staff and volunteers

- Consult on changes to sickness policy
- Operationally embed performance management policies and procedures
- Implement volunteer handbook
- Staff development day 2009

Progress

- *In November 2009 the organisation moved into a new head office and resource centre on Rickmansworth High Street. Once legal work is complete an extensive programme of refurbishment will commence making the building fully accessible. The additional space is already providing space for training and the opportunity to share with other local organisations. The building is on a 5 year lease and will be used as a head office, resource and drop-in centre for people with learning disabilities and local families. There are plans to use the building at weekends and evenings and once the Changing Places toilet is installed new activities will be planned for local people. An e-learning centre with adapted IT has been funded by the Herts Workforce Development Group;*
- *Disaster recovery plans are now in place for residential projects and head office;*
- *All head office IT has been upgraded and replaced with funding from Awards for All;*
- *A new website design has been agreed and work continues on the website project with a launch planned for Sept 2010;*
- *IT has been introduced to the Children's Centre including a wireless network, laptops and a second server as part of the organisation's disaster recovery plan;*
- *Watford Mencap is Sandy Lodge golf club centenary charity of the year and they are currently raising money for 2 vehicles for Watford Mencap;*
- *Berrywood subsidence and bathroom replacement maintenance has been completed. Hillside bathroom project to complete June 2010 and 4 Hillside refurbishment to complete July 2010. Whitfield Way refurbishment is on hold whilst future use of project is explored with Herts County Council (HCC). Homeoaks subsidence is being monitored monthly by HCC and Mouchel Parkman;*
- *Raising Your Game project commenced November 2009 and now employs a resident from Berrywood as a learning disability consultant;*
- *Staff consultation completed on changes to sick policy and changes to be implemented during 2010-11;*
- *Volunteer handbook introduced and implemented;*
- *Staff development day confirmed for 1/7/10.*

Personalisation of services

- Implement personalisation strategy
- Complete management training and set up "Change Group"
- Design and implement an outcomes-focused quality assurance system
- Remodel services in residential services
- Complete roll-out of residents' finance procedure
- Devise and deliver workforce structure, development, training and recruitment plans

WATFORD AND DISTRICT MENCAP SOCIETY

REPORT OF THE COUNCIL OF MANAGEMENT (CONTINUED)

Progress

- *A personalisation strategy has been introduced and supported by extensive staff training on personalisation;*
- *A Change Group has been formed and meets regularly with active representation from a wide range of projects. The group has devised and is now piloting a new self- directed support planning tool;*
- *Little Martins has been remodelled with new levels of funding and a settled staff team in place;*
- *Hillside has been remodelled and split into 2 separate projects. The large house remains a registered home for 8 residents – 3 people living in the flat upstairs and 5 people living on the ground floor. Weekly rent has been re-negotiated with HCC ensuring that the project is now adequately funded and appropriately staffed. Extensive renovation work has been completed and once the bathroom project is complete the house will have had a complete internal renovation;*
- *4 Hillside Crescent is now a separate project and is currently being completely renovated to be used by the HCC Positive Moves team. Renovation work has been funded by HCC and the house will be divided into 2 distinct living areas. The Supported Living project will be supported by New Solutions and is on target to be completed in Summer 2010;*
- *Work on the Homeoaks development plan has been slow due to the ongoing subsidence issues at the project. Regular meetings have been held with HCC and a project management group has now been formed who will work together to look at the future of the project. The HCC Person Centred Planning (PCP) team have been commissioned to work with the staff team to develop plans for all residents. A senior HR manager from Royal Mencap has also provided coaching and mentoring to the staff team over the past year;*
- *The advice & advocacy and finance teams have worked together to roll out the new residents finance procedure and to deliver training on it within the residential homes. Hillside and Thorpedale are now complete with work continuing at Berrywood and Homeoaks;*
- *The HCC workforce development grant has enabled Watford Mencap to deliver an extensive training and development programme for staff over the past year. As well as mandatory training staff have completed NVQs, LDQs and a range of management and specialist training courses.*

Diversity

- Roll out diversity training across organisation
- Join Three Rivers Equality Forum, complete equality audit and implement recommendations
- Reach out to new community groups for potential members, volunteers and trustees (with skills identified as required)
- Increase involvement and consultation of people with learning disabilities and carers. Develop small working groups linked to governance
- Create diversity champion within Change Group
- Explore possible funding sources for diversity project

Progress

- *Over 95% of staff completed understanding diversity training during the year;*
- *A diversity training group was formed and has drafted new organisational monitoring forms. Members of the group have also attended Local Council Equality forums;*
- *A grant from the Watford targeted mental health in schools project (TAMHS) enabled the advice service to send out information packs and complete outreach work in a number of new local communities;*

WATFORD AND DISTRICT MENCAP SOCIETY

REPORT OF THE COUNCIL OF MANAGEMENT (CONTINUED)

- *Possible new trustees have been identified and work will commence on recruitment once a 2010-11 governance review is complete. This governance review will also look at involving people with learning disabilities in all areas of governance in the future;*
- *Numbers of staff, volunteers and families using services continued to increase, and the profile of the workforce has continued to diversify;*
- *A new client referral system has been devised by the Community Services group and implemented across the organisation. Charity Log, a management information system, has also been introduced as a pilot project within the advice service, once rolled out fully it will enable the production of accurate management reports on a range of services;*
- *A funding application to Watford Council to extend the reach of the advice service further into new communities was unsuccessful, however the TAMHS project funding has now been extended into a second year.*

Sustainability, savings and efficiency

- *Fill vacant posts, establish casual bank and reduce agency expenditure*
- *Tender for new playscheme contract*
- *Submit "Aiming High" bid*
- *Generate new service income to cover funding deficit on personalisation post*
- *Implement Community Services electronic monitoring*

Progress

- *Vacant posts filled in all projects except Homeoaks (due to subsidence issues). Casual bank of support staff recruited, £28,000 (13%) decrease in agency expenditure;*
- *Successful change in recruitment strategy and materials attracting the desired "new type of worker";*
- *Awarded new 2-3 year playscheme contract with additional volume of service for local families;*
- *Awarded substantial funding for Saturday Club, Hand in Hand and new Achieving Potential Together (APT) group through successful Aiming High tender;*
- *The deficit on the Development Manager post is now minimal due to the planned development of 4 Hillside, with the post on target to be self-funding in 2010-11;*
- *Community Service electronic monitoring project has not yet progressed due to a current freeze on HCC funding.*

Other Achievements

- *An unpaid Volunteer Manager has volunteered for 10 hours per week over the past year coordinating the recruitment of volunteers. This has been greatly valued and appreciated by all managers;*
- *Discussions are underway with Berrygrove Children's Centre about a new partnership project for under 5s and their families at the Lemarie Centre. The project will be called "Positive Beginnings" and will hopefully involve specialist workers from the disabled children's team;*
- *The 5 year Raising Your Game partnership project with Royal Mencap commenced in November 2009 and is currently working with young people with learning disabilities who are at risk or who may have offended;*
- *The Hand in Hand project was able to continue its work with the young people's committee following a grant from the Youth Opportunities Fund;*

WATFORD AND DISTRICT MENCAP SOCIETY

REPORT OF THE COUNCIL OF MANAGEMENT (CONTINUED)

- *Funding was secured for a supported volunteering project in the charity shops from the East of England Community grant scheme and 8 new volunteers with learning disabilities will be recruited to volunteer within our shops as a project outcome;*
- *Work has continued to raise the organisation's profile within South West Herts and new leaflets and information packs have been produced and distributed. As well as the charity's own website we have a very high profile on the Waford Observer website.*

Key Achievements 2009-10

The staff and management of the Society have continued to consolidate the progress made over the past few years to moving the organisation forward and providing our service users with what they want and need from us.

The drive to truly personalise the services we provide continues to dominate the organisation's activities and planning. It was the theme of the recent development day. Significant progress was made in this area during the year with the Development Manager role becoming fully funded, new projects starting to appear and the personalised approach really taking hold in the everyday mindset and activities of the organisation.

The Society has continued to develop its close working relationship with HCC. Several long term funding and other issues are being resolved and the partnership is proving increasingly successful at providing innovative and forward-looking person-centred residential and support solutions for people with a learning disability.

There is, as ever, much more detail that could be given to demonstrate the significant progress being made, but there is not enough space. However, the trustees would like to acknowledge the very hard work of all the staff and volunteers which has resulted in tangible progress and which will enable the Society to meet the challenges of the future.

Financial Review

The organisation's financial position continued to improve in 2009-10 with continued tight budgetary control, the renegotiation of contracts and successful new funding applications. The contract at Hillside was renegotiated on terms which, for the first time in decades, make the project viable on a stand-alone basis. Unfortunately, subsidence has meant that Homeoaks is no longer fit for purpose and will have to shut permanently, probably during the course of 2010-11. The Society will work with HCC to ensure that the residents are assisted to find a long-term housing solution which meets their needs and desires, but the loss of the project will have a significant financial impact in the year after next.

The Society's financial position is satisfactory, with a surplus of £338,709 for 2009-10 to be transferred to reserves. A significant amount of £132,032 in restricted funds is already committed to specific projects in the coming year, while the balance of funds are in general and designated reserves, on which more detail is given below. As noted in the section on the Reserves Policy, the Society has sought to build up its reserves over the past few years in order to better weather anticipated periods of restricted support from statutory bodies.

The external environment is bleak. The primary source of income by way of contract and grant income is Hertfordshire County Council (76%). In the wake of the recent budget announcement it is clear that future levels of funding cannot be guaranteed. However, we strongly believe that the Society provides excellent value for money and we will continue to seek a reasonable level of funding for the services it provides. Nevertheless, we are aware of the need to diversify sources of income and focus clearly on fundraising priorities.

As noted above, we have started to adapt to meet the challenge of individual service budgets and intend to maximise the potential of this new opportunity for the benefit of those whose interests we seek to serve. There will, however, be significantly more financial uncertainty attached to such services and we will have to find ways to mitigate that risk.

WATFORD AND DISTRICT MENCAP SOCIETY

REPORT OF THE COUNCIL OF MANAGEMENT (CONTINUED)

Fundraising

During the year, the Funding Team handed over responsibility for the Charity Shops to the Internal and Commercial Services Manager. The Funding and Business Development Manager remained in post and, during the maternity leave of the Fundraiser, was fortunate to secure the services of the John Lewis secondee who became a member of staff. They were supported by the volunteer Editor of our In Touch newsletter and fundraising volunteers who worked at events. On completion of her maternity leave, the Fundraiser decided not to return and towards the end of the year the team began the recruitment of two new trainee fundraisers, which should help increase fundraising income to bridge the gap if we are hit by cuts in statutory funding. The team's wide-ranging remit included local authority, trust, community and corporate fundraising; events; public relations and publications; and corporate and community partnerships. The main targets for fundraising were the Children's and Leisure Together services.

Total fundraising income of £207,421 was split as follows:

Local authorities	31%
Trusts	11%
Corporate	3%
Events	20%
Individuals/legacies	33%
Groups	2%

HCC continued to be the single largest funder of our services through a variety of funding streams. Children's Targeted Services awarded us £15,000 for 8 children in the Afterschool Club. We made a major bid for funding under Aiming High for Disabled Children which is still under negotiation at the year end. HCC also funded our Advice and Advocacy service under the Targeted Mental Health in Schools programme. We welcomed funding from Watford Borough Council, Three Rivers District Council and the West Herts Primary Care Trust for our Leisure Together Sports and Fitness project, and grant aid from Hertsmere District Council. Our Leisure Together service also received substantial support through the HCC Carers' Grant.

Highlights of our trust funding were grants from the Albert Hunt Trust and Awards for All, the latter enabling us to update our IT equipment. We received a grant from the East of England Community Grants Programme for a supported volunteering project in our two charity shops.

Supporters continued to fundraise for Watford Mencap in a variety of ways and particular mention must be made of Cherry and Stuart Marshall, whose tandem ride from Land's End to John O'Groats raised over £11,000.

For the first time we worked with Warren Clarke on his Celebrity Golf Day, bringing in new sources of support and promoting awareness among local business people and celebrities. We continue to work with Watford Round Table and are grateful to them for running the Watford 10k run on our behalf, this year bringing in some £16,000.

We benefited from a legacy of £50,500 from the late Mrs Lydon, which helped us to fund the move into new premises, greatly increasing our effectiveness and potential for outreach.

We are already seeing signs of a decrease in local authority funding and have experienced the summary termination of a contract due to funding cuts. This will have a severe impact on the lives of people with a learning disability and their families, and we shall campaign to raise awareness of the effects of the cuts. At the same time the numbers of people with a learning disability are rising sharply; the need for our services is ever greater. In 2010-11 the department will focus on trust fundraising to fund our Leisure and Learning and Personalisation work, as well as promoting awareness and fundraising during the Watford Mencap Diamond Jubilee in 2011.

WATFORD AND DISTRICT MENCAP SOCIETY

REPORT OF THE COUNCIL OF MANAGEMENT (CONTINUED)

Investment Policy

Aside from retaining a prudent amount in reserves each year, most of the charity's funds are spent in the provision of services. The cash on hand at any given time is invested with NatWest, Barclays and CAF Bank earning 0.2% interest at year end. In 2009-10 this produced £1,246 in investment income for the charity. The Society will continue to monitor its investment policy during the coming year and diversify its savings to minimise risk.

Reserves Policy

The Society had reserves of £1,561,778 as at 31 March 2010 of which £132,032 was restricted, £416,267 was designated and the balance of £1,013,479 (which includes £487,077 of fixed assets and cash held for Little Martins of £88,161) represents the general funds.

The organisation's need for reserves has been established by the Council of Management in the light of the main risks. The policy is that the unrestricted funds not committed or invested in tangible fixed assets should be three month's operational expenditure.

Budgeted expenditure for 2010-11 is £2.6m and the liquid unrestricted reserves should therefore be £650,000 against an actual figure of £528,000. The strategy is to continue to build reserves through operating surpluses and to achieve the required level over a number of years.

Future Plans

Taking into account all strengths, weaknesses, opportunities and threats, the Society has developed its business plan outlining its priorities for 2010-11. The business plan outline was developed after a strategy review undertaken by the Council of Management which produced a five year vision for the organisation.

The ambition is for Watford Mencap to be the first port of call for all people with learning disabilities and their carers within our geographical area. This will require an increased presence and awareness of our services, and creativity, innovation and flexibility in our reaction to individuals' needs and the way we deliver services.

Our priorities over the next five years will therefore be:

Personalisation – to continue to review and personalise our current services, to offer new individualised services;

Expanding services – to reach out to those families who do not currently use our services and to provide opportunities for people with multiple and profound learning disabilities and complex needs;

Communications – to look at how we present ourselves to staff, volunteers, our membership and local people with learning disabilities and their families and to ensure that people in South West Herts know about Watford Mencap;

Skilled staff and volunteers – to ensure we share common values, are confident to work in a changing environment, with a structure that supports expansion and to have good development and succession plans in place;

Relationships/partners – to find new partners to work with, whilst strengthening our current relationships, creating new opportunities by working in partnership with others and working closely at all levels with HCC and the Primary Care Trust.

WATFORD AND DISTRICT MENCAP SOCIETY

REPORT OF THE COUNCIL OF MANAGEMENT (CONTINUED)

2010-11 Objectives

Implement structure to support growth, development, top level succession planning and the creation of a flexible workforce

- Appoint Head of HR and business support systems
- Create leisure and learning manager post
- Appoint and train trainee fundraisers
- Implement 6 month management arrangements for shops, E-bay and review
- Engage change management consultant
- Recruit trustees and co-opted members from diverse backgrounds with specific HR, ops management, and legal skills
- Complete governance review
- Strengthen Little Martins and 4 Hillside management structure
- Finalise children's services structure

Embracing personalisation – management of associated changes and removal of blockages

- Implement Homeoaks development plan
- Redesign and implement new service delivery at Thorpedale
- Launch 4 Hillside
- Reconfigure Whitfield Way
- Complete building work on Old Town Hall
- Achieve successful CQC registration
- Design and implement quality management system
- Operationally embed performance management policies and procedures
- Complete implementation of residents finance policy
- Embed Watford Mencap values, mission and objectives

Income generation, savings and efficiency

- Fill all vacant posts, develop casual bank. Dramatically reduce agency expenditure
- Implement second stage of Charity Log
- Meet new fundraising target of £200,000
- Maximise shop and E-bay income
- Plan to achieve possible 5% savings in HCC income for 2011-12
- Purchase and implement new finance package
- Review Society structure

Strengthening public relations and communications

- Membership review
- Distribute information packs across SW Herts
- Launch new website
- Strengthen HCC relationship
- Launch new Mencap branding
- Operational and HR policy and procedure review

Increasing capacity and developing new opportunities

- New activities and groups running out of the Old Town Hall
- Services and support for people with profound and multiple learning disabilities
- Development of friendship and social skill groups
- Management of volunteers
- Rebrand self advocacy groups

In addition to the new priorities, work must also be completed on the areas carried forward from the 2009-10 business plan, which have been incorporated above.

WATFORD AND DISTRICT MENCAP SOCIETY

REPORT OF THE COUNCIL OF MANAGEMENT (CONTINUED)

All of the above objectives are supported by a detailed action plan in which responsibility for completion is assigned. Recognising that achievement of objectives is a team effort, the performance appraisal system incorporates the Society's aims, and staff are appraised on their contribution to moving the Society forward.

Responsibilities of the Council of Management

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

- Select suitable accounting policies and then apply them consistently;
- Make judgements and estimates that are reasonable and prudent;
- Prepare the financial statements on the going concern basis unless it is inappropriate to assume that the company will continue on that basis.

The directors are responsible for maintaining proper accounting records which disclose with reasonable accuracy at any time the financial position of the charitable company and to enable them to ensure that the financial statements comply with the Companies Act 2006. The directors are also responsible for safeguarding the assets of the charitable company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

In accordance with company law, as the company's directors, we certify that:

- so far as we are aware, there is no relevant audit information of which the company's auditors are unaware; and
- as the directors of the company we have taken all the steps that we ought to have taken in order to make ourselves aware of any relevant audit information and to establish that the charity's auditors are aware of that information.

Auditors

Kingston Smith LLP were appointed as the company's auditors in 2005-06 and have expressed their willingness to continue in that capacity. In line with best practice, the Society will put the audit out to tender during the course of 2010-11.

This report has been prepared in accordance with the Statement of Recommended Practice: Accounting and Reporting by Charities (March 2005).

Approved by the Council of Management on 20 September 2010 and signed on its behalf by:

Don Eungblut (Chair)

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF WATFORD AND DISTRICT MENCAP SOCIETY

We have audited the financial statements of Watford and District Mencap Society for the year ended 31 March 2010 which comprise the Statement of Financial Activities, the Balance Sheet and the related notes. These financial statements have been prepared in accordance with the accounting policies set out therein.

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

Respective Responsibilities of Trustees and Auditors

As explained more fully in the Council of Management's responsibilities Statement set out on page 13, the members of the Council of Management (who are also the directors of Watford Mencap for the purposes of company law) are responsible for the preparation of the Report of the Council of Management and the financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

Scope of the audit of the financial statements

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of: whether the accounting policies are appropriate to the charitable company's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the Council of Management; and the overall presentation of the financial statements.

Basis of audit opinion

We conducted our audit in accordance with International Standards on Auditing (UK and Ireland) issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the financial statements. It also includes an assessment of the significant estimates and judgements made by the Council of Management in the preparation of the financial statements, and of whether the accounting policies are appropriate to the charitable company's circumstances, consistently applied and adequately disclosed.

Opinion on financial statements

In our opinion the financial statements:

- give a true and fair view of the state of the charitable company's affairs as at 31 March 2010 and of its incoming resources and application of resources, including the income and expenditure of the charitable company for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practices; and
- have been properly prepared in accordance with the Companies Act 2006.

Opinion on other matters prescribed by the Companies Act 2006

In our opinion the information given in the Report of the Council of Management for the financial year for which the financial statements are prepared is consistent with the financial statements.

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF WATFORD AND DISTRICT MENCAP SOCIETY (CONTINUED)

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records or returns; or
- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information or explanations we require for our audit.

David Goodridge (Senior Statutory Auditor)
for and on behalf of Kingston Smith LLP

.....

Chartered Accountants
Statutory Auditor

105 St Peters Street
St Albans
Hertfordshire
AL1 3EJ

WATFORD AND DISTRICT MENCAP SOCIETY
STATEMENT OF FINANCIAL ACITVITIES
FOR THE YEAR ENDED 31 MARCH 2010

	Note	Unrestricted Funds £	Restricted Funds £	Total 2010 £	Total 2009 £
Incoming Resources	2				
<i>Incoming Resources from Generated Funds</i>					
Voluntary income					
Donations, legacies and similar income		55,717	25,250	80,967	123,838
Activities for generating funds					
Shop income		119,648	4,740	124,388	117,774
Other fundraising activities		41,813		41,813	21,973
Investment income	6	1,246		1,246	16,436
<i>Incoming Resources from Charitable Activities</i>					
From public authorities		1,578,062	381,328	1,959,390	1,866,670
Grants		311	39,194	39,505	45,719
Rental income		219,129		219,129	219,380
Fees for using facilities and services		85,524		85,524	73,978
<i>Other Incoming Resources</i>		3,841		3,841	5,193
Total Incoming Resources		2,105,291	450,512	2,555,803	2,490,961
Resources Expended					
<i>Cost of generating funds</i>					
Cost of generating voluntary income					
<i>Other fundraising activities</i>		72,897		72,897	59,396
Fundraising trading: cost of goods sold and other costs					
<i>Shop costs</i>		91,658		91,658	91,139
<i>Charitable Activities</i>					
<i>Residential services</i>		1,262,194	167,787	1,429,981	1,382,234
<i>Community services</i>		244,286	154,981	399,267	365,539
<i>Childrens services</i>		51,697	137,981	189,678	181,673
<i>Rental costs</i>		17,157		17,157	6,770
<i>Governance costs</i>		16,456		16,456	17,909
Total Resources Expended	4	1,756,345	460,749	2,217,094	2,104,660
Net Income/(Expenditure)	3	348,946	(10,237)	338,709	386,301
Balance brought forward at 1 April 2009		1,080,800	142,269	1,223,069	836,768
Balance carried forward at 31 March 2010		1,429,746	132,032	1,561,778	1,223,069

Continuing Operations

None of the Company's activities were acquired or discontinued during the above two financial years.

Total Recognised Gains and Losses

The Company has no recognised gains and losses other than the net movement in funds for the above two financial years.

The accompanying notes form part of the financial statements.

WATFORD AND DISTRICT MENCAP SOCIETY
BALANCE SHEET
AT 31 MARCH 2010

	Note	2010 £	2010 £	2009 £	2009 £
Fixed Assets					
Tangible assets	8		487,077		494,860
Current Assets					
Debtors	9	75,727		115,769	
Cash at bank and in hand		1,092,915		733,022	
Cash held for Little Martins	10	<u>88,161</u>		<u>64,055</u>	
		1,256,803		912,846	
Creditors: Amounts falling due within one year	10	<u>(166,675)</u>		<u>(144,138)</u>	
Net Current Assets			<u>1,090,128</u>		<u>768,708</u>
Total Assets less Current Liabilities			1,577,205		1,263,568
Creditors: Amounts falling due after more than one year	11		<u>(15,427)</u>		<u>(40,499)</u>
Net Assets	14		<u><u>1,561,778</u></u>		<u><u>1,223,069</u></u>
Represented by:					
Unrestricted Funds					
- General	12		1,013,479		747,804
- Designated	12		416,267		332,996
Restricted Funds	13		<u>132,032</u>		<u>142,269</u>
			<u><u>1,561,778</u></u>		<u><u>1,223,069</u></u>

Approved by the Council of Management on
and signed on its behalf by:

.....
Don Eungblut, Chairman

Company No: 2636705

The accompanying notes form part of the financial statements.

WATFORD AND DISTRICT MENCAP SOCIETY

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2010

1 Accounting Policies

The following notes outline the main accounting policies of the Company which have been used consistently in preparing these accounts.

(a) Basis of Accounting

These accounts have been prepared under the historical cost convention and in accordance with the Statement of Recommended Practice: Accounting and Reporting by Charities (March 2005), applicable UK Accounting Standards and the Charities Act 1993 as amended by the Charities Act 2006.

The accounts relate to the activities of Watford and District Mencap Society.

(b) Depreciation

All assets costing more than £1,000 are capitalised at cost, except for computer equipment which is written off in full in the year of acquisition.

Depreciation is calculated to write off the cost less the estimated residual value of the tangible fixed assets over their expected useful lives at the following rates:

Freehold Property	Nil
Fixtures and Fittings	25% Reducing balance basis
Motor Vehicles	25% Reducing balance basis

An impairment review was carried out during the year which indicated that the freehold property is maintained to such a standard that it is considered that its estimated residual value is not less than its cost and as such no depreciation has been charged.

(c) Incoming Resources

All incoming resources are recognised in the period in which they are receivable which is when the charity becomes entitled to the resource.

(d) Resources Expended

Expenditure is accounted for on an accruals basis and has been classified under headings that aggregate all costs related to the category. Costs are apportioned between categories on a direct basis. Where costs are apportioned between these headings a consistent basis is used.

(e) Pension Costs

The Company made contributions to a defined benefit pension scheme on behalf of its employees up to September 2001. No contributions have been made to the scheme since that time. See note 18 for further information regarding this scheme.

The Company now contributes to a defined contribution pension scheme. Contributions are charged to the income and expenditure account in the year in which they become payable.

(f) Gifts in Kind

Gifts in kind are valued at estimated value to the charity. They are included in the charity's financial statements if the estimated value is in excess of £500.

(g) Funds

Unrestricted general - funds which can be used for any of the charitable activities.

Designated - funds that have been put aside at the discretion of the Council of Management for specific purposes.

Restricted - funds that are subject to conditions imposed by the donors.

Details of specific funds can be found in notes 12 and 13.

Funds are reviewed annually by the Council of Management and transfers are made between funds in order to meet the strategic objectives of the charity's business plan.

(h) Operating Leases

Operating leases are included in resources expended on a straight line basis over the term of the lease.

WATFORD AND DISTRICT MENCAP SOCIETY
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2010

2 Incoming Resources

Income receivable represents payments from central and local government and other income received in respect of the Society's residential homes and donations and other fundraising receipts and all arises in the United Kingdom.

3 Net Income

This is stated after charging:

Auditors' remuneration

- Audit

Depreciation (note 8)

Operating leases (note 16)

2010	2009
£	£
9,487	10,755
8,938	11,532
<u>52,476</u>	<u>39,921</u>

4 Resources Expended

Cost of generating funds

Cost of generating voluntary income:

Other fundraising activities

Fundraising trading:

Costs of goods sold and shop costs

Charitable activities

Residential services

Community services

Childrens services

Rental costs

Governance costs

Direct Costs	Support costs	Total 2010	Total 2009
£	£	£	£
62,751	10,146	72,897	59,396
79,654	12,004	91,658	91,139
1,225,020	204,961	1,429,981	1,382,234
343,736	55,531	399,267	365,539
163,346	26,332	189,678	181,673
17,157	-	17,157	6,770
16,456	-	16,456	17,909
<u>1,908,120</u>	<u>308,974</u>	<u>2,217,094</u>	<u>2,104,660</u>

5 Employee Information

Staff costs

Wages and salaries

Social security costs

Other pension costs

2010	2009
£	£
1,600,120	1,517,131
108,407	100,311
27,762	28,041
<u>1,736,289</u>	<u>1,645,483</u>

The average monthly number of full-time equivalent employees during the period was as follows:

Office and management

Support workers

Number	Number
19	15
53	52
<u>72</u>	<u>67</u>

There are no employees earning £60,000 or more per annum.

The Company pays contributions into a group scheme with the Pensions Trust (see note 18). The pension cost, representing the amounts due for the year, was £27,762 (2009: £28,041).

6 Investment Income

Bank and building society interest

2010	2009
£	£
1,246	16,436

WATFORD AND DISTRICT MENCAP SOCIETY
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2010

7 Interest Payable			2010	2009
			£	£
On bank loan (note 11)			4,332	6,121
			<u>4,332</u>	<u>6,121</u>
8 Tangible Fixed Assets	Freehold Property	Fixtures and Fittings	Motor Vehicles	Total
	£	£	£	£
Cost				
At 1 April 2009	460,265	164,865	81,069	706,199
Additions	-	1,155	-	1,155
Disposals	-	-	-	-
	<u>460,265</u>	<u>166,020</u>	<u>81,069</u>	<u>707,354</u>
At 31 March 2010	460,265	166,020	81,069	707,354
Depreciation				
At 1 April 2009	-	135,385	75,954	211,339
Charge for year	-	7,659	1,279	8,938
Eliminated on Disposal	-	-	-	-
	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
At 31 March 2010	-	143,044	77,233	220,277
Net Book Value				
At 31 March 2010	<u>460,265</u>	<u>22,976</u>	<u>3,836</u>	<u>487,077</u>
At 31 March 2009	<u>460,265</u>	<u>29,480</u>	<u>5,115</u>	<u>494,860</u>

In addition, the Society has the benefit of a twenty year lease on a property concurrent with a management agreement to operate the premises as a home on behalf of Hertfordshire County Council. The lease expires in October 2010.

The insurance value of freehold property is £2,167,531.

9 Debtors	2010	2009
	£	£
Trade debtors	44,327	46,524
Prepayments and accrued income	31,400	69,245
	<u>75,727</u>	<u>115,769</u>
	<u>75,727</u>	<u>115,769</u>
10 Creditors: Amounts falling due within one year	2010	2009
	£	£
Bank loan (note 11)	25,013	23,032
Little Martins	88,161	64,055
Accruals and deferred income	53,501	57,051
	<u>166,675</u>	<u>144,138</u>
	<u>166,675</u>	<u>144,138</u>
11 Creditors: Amounts falling due after more than one year	2010	2009
	£	£
Bank loan	15,427	40,499
Amount of loan falling due:		
Within 1 year	25,013	23,032
Within 2 - 5 years	15,427	40,499
	<u>40,440</u>	<u>63,531</u>
	<u>40,440</u>	<u>63,531</u>

The bank loan, which totals £40,440 (2009: £63,531) is repayable in monthly instalments, which commenced on 4 December 1991. The rate of interest on the loan is 8.25%. The loan is secured by a fixed charge on freehold property.

WATFORD AND DISTRICT MENCAP SOCIETY
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2010

12 Unrestricted Funds	Funds Brought Forward £	Income £	Expenditure £	Transfers £	Funds Carried Forward £
General Funds	747,804	2,041,596	(1,684,732)	(91,189)	1,013,479
Designated Funds					
Repairs and building	103,000	37,189	(66,189)	91,189	165,189
Charles Hatch Bequest	26,403	53	(424)	-	26,032
Transport	30,506	1,203	-	-	31,709
Contingency	34,209	-	-	-	34,209
Office move	20,000	-	-	(20,000)	-
Office refurbishment	-	-	-	20,000	20,000
Development	10,000	25,250	-	-	35,250
Table Hall	88,878	-	-	-	88,878
IT	20,000	-	(5,000)	-	15,000
Total Designated Funds	<u>332,996</u>	<u>63,695</u>	<u>(71,613)</u>	<u>91,189</u>	<u>416,267</u>
Total Funds	<u><u>1,080,800</u></u>	<u><u>2,105,291</u></u>	<u><u>(1,756,345)</u></u>	<u><u>-</u></u>	<u><u>1,429,746</u></u>

Designated funds are amounts that have been put aside at the discretion of the Council of Management for specific purposes, as follows:

Repairs and building - funds set aside for the maintenance of and any future liabilities arising from the properties owned and managed by the Society. A transfer was made to the fund in order to cover the expected future liabilities.

Charles Hatch Bequest - funds from which, at the discretion of the members of the Council of Management, small grants may be made to people with learning difficulties in urgent need.

Transport - fund set aside to replace the general use minibus at the end of its useful life.

Contingency - funds put aside to meet any unexpected expenditure incurred by the Society.

Office move - funds set aside to cover the cost of the office move in 2009.

Office refurbishment - funds set aside to provide enhanced disabled access in the new office.

Development - funds set aside to support personalisation.

Table Hall - funds set aside from Table Hall Project.

IT - funds set aside to continue to improve efficiency by means of IT implementation.

WATFORD AND DISTRICT MENCAP SOCIETY
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2010

13 Restricted Funds	Funds Brought Forward	Income	Expenditure	Transfers	Funds Carried Forward
	£	£	£	£	£
Leisure together Hertsmere	1,000	12,145	(13,145)	-	-
Leisure together Watford	-	16,182	(16,182)	-	-
Holiday activities	137	16,698	(16,830)	-	5
Structured break scheme	-	1,853	(1,853)	-	-
Awhileaway break scheme	1,557	10,241	(11,798)	-	-
Saturday club	-	36,364	(33,193)	-	3,171
Hillside transport	10,165	-	-	-	10,165
Advice service	1,900	41,096	(41,096)	-	1,900
Day activities scheme	2,004	16,829	(16,845)	-	1,988
Playschemes	-	52,023	(52,023)	-	-
Childrens Centre	5,477	48,711	(47,988)	-	6,200
Sports project	-	3,465	(800)	-	2,665
Art grant	-	500	(290)	-	210
Homeoaks garden	1,161	-	(788)	-	373
Thorpedale garden	2,281	-	(427)	-	1,854
Legacy	-	25,250	-	-	25,250
APT club	-	4,664	(2,072)	-	2,592
East of England Community Grant	-	4,740	-	-	4,740
Awards for All	-	7,114	(7,114)	-	-
Little Martins	-	147,637	(147,637)	-	-
Individualised funding project	52,667	-	(17,399)	-	35,268
Workforce development grant	55,587	-	(19,936)	-	35,651
Involving people project	8,333	5,000	(13,333)	-	-
Total Restricted Funds	142,269	450,512	(460,749)	-	132,032

The restricted funds of the charity are all income funds. The funds are subject to conditions imposed by the donors.

14 Analysis Of Net Assets	Unrestricted Funds	Restricted Funds	2010 Total	2009 Total
	£	£	£	£
Tangible fixed assets	487,077	-	487,077	494,860
Net current assets	958,096	132,032	1,090,128	768,708
Creditors due after more than one year	(15,427)	-	(15,427)	(40,499)
Net Assets	1,429,746	132,032	1,561,778	1,223,069

15 Limited By Guarantee

The Company does not have a share capital and is limited by guarantee. Each member has agreed to accept liability not exceeding £1 should the Company be wound up.

WATFORD AND DISTRICT MENCAP SOCIETY
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2010

16 Lease Commitments

At the year end, the Company was committed to making the following payments during the next year in respect of the operating leases with expiry dates as follows:

	Property	Other	2010	2009
	£	£	£	£
Within 1 year	-	-	-	15,778
Within 2 to 5 years	49,833	2,643	52,476	24,143
After 5 years	-	-	-	-
	<u>49,833</u>	<u>2,643</u>	<u>52,476</u>	<u>39,921</u>

17 Expenses of Members of the Council of Management

During the year no expenses were paid to the members of the Council of Management. No member of the Council was paid remuneration during the year.

The members of the Council of Management were able to use services used generally by beneficiaries and members of the Society.

WATFORD AND DISTRICT MENCAP SOCIETY

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2010

18 Pensions

Watford and District Mencap Society participates in the Pensions Trust's Growth Plan (the Plan). The Plan is funded and is not contracted out of the state scheme. The Growth Plan is a multi-employer pension plan.

Contributions paid in to the Plan up to and including September 2001 were converted to defined amounts of pension payable from the National Retirement Date. From October 2001 contributions were invested in personal funds which have a capital guarantee and which are converted to pension on retirement, either within the Growth Plan or by the purchase of an annuity.

The Trustee commissions an actuarial valuation of the Growth Plan every 3 years. The purpose of the actuarial valuation is to determine the funding position of the Plan by comparing the assets with the past service liabilities as at the valuation date. Asset values are calculated by reference to market levels. Accrued past service liabilities are valued by discounting expected future benefit payments using a discount rate calculated by reference to the expected investment return.

As at the balance sheet date there were 32 active members of the Plan employed by Watford and District Mencap Society.

It is not possible in the normal course of events to identify on a reasonable and consistent basis the share of underlying assets and liabilities belonging to individual participating employers. Accordingly, and due to the nature of the Plan, defined benefit accounting is not used. The accounting charge for the period under Financial Reporting Standard 17 'Retirement Benefits' (FRS 17) represents the employer contributions payable.

The last formal valuation of the Scheme was performed as at 30 September 2008 by a professionally qualified actuary using the Projected Unit Method. The market value of the Scheme's assets at the valuation date was £742 million and the Plan's Technical Provisions (i.e. past service liabilities) were £771 million. The valuation therefore, revealed a shortfall of assets compared with the value of liabilities of £29 million, equivalent to a funding level of 96%.

The next full actuarial valuation will be carried out as at 30 September 2011.

In view of the small funding deficit and the level of prudence implicit in the assumptions used to calculate the Plan liabilities, the Trustee has prepared a recovery plan on the basis that no additional contributions from participating employers are required at this point in time. In reaching this decision the Trustee has taken actuarial advice and has been advised that the shortfall of £29 million (as at 30 September 2008) will be cleared within 9 years and 10 months if the investment returns from assets are in line with the "best estimate" assumptions. "Best estimate" means that there is a 50% expectation that the return will be lower than that assumed over the next 10 years.

Following a change in legislation in September 2005 there is a potential debt on the employer that could be levied by the Trustee of the Plan. The Trustee's current policy is that it only applies to employers with pre October 2001 liabilities in the Plan. The debt is due in the event of the employer ceasing to participate in the Plan or the Plan winding up.

The debt for the Plan as a whole is calculated by comparing the liabilities for the Plan (calculated on a buy-out basis i.e. the cost of securing benefits by purchasing annuity policies from an insurer, plus an allowance for expenses) with the assets of the Plan. If the liabilities exceed assets there is a buy-out debt.

The Charity has been notified by the Pensions Trust of the estimated employer debt on withdrawal from the Plan based on the financial position of the Plan as at 30 September 2009. As of this date the estimated employer debt for the Charity was £260,928.83. The actuary has advised that this figure is likely to decrease by 38% by 31 March 2010.