

Company number: 07314865

Charity number: 1138585

Disability Rights UK

Report and Financial Statements

31 March 2014

sayer vincent

auditors and advisors

Disability Rights UK

Contents

For the year ended 31 March 2014

	Pages
Reference and administrative details	2-3
Report of the trustees	4-15
A New Organisation Develops	4
Our Impact in 2013-14	4
Our Plans for 2014-15	8
Financial Performance	11
Reserves	13
Governance and Management	14
Independent auditors' report	16-18
Statement of financial activities	19
Balance sheet	20
Notes to the financial statements	21-38

Disability Rights UK

Reference and administrative details

For the year ended 31 March 2014

Status The organisation is a charitable company limited by guarantee, incorporated on 14 July 2010. Disability Rights UK registered as a charity on 26 October 2010.

Company number 07314865

Charity number 1138585

Registered office and operational address CAN Mezzanine
49-51 East Road,
Old Street
London
N1 6AH

Trustees The trustees, who are also directors under company law, who served during the year and up to the date of this report were as follows:

Phil Friend	Chair
Mike Smith	Vice Chair
Michael Bromwich	Treasurer
Geoff Adams-Spink	
Saghir Alam	
Anne Beales	
Roger Berry	
Jane Cordell	(resigned 6 October 2014)
Lorraine Gradwell	(resigned 24 June 2013)
Asif Hussain	
Ian Loynes	
Carolyn McLaughlin	

Company secretary Sue Bott CBE

Principal bankers Unity Trust Bank
Nine Brindleyplace
Birmingham
B1 2HB

Disability Rights UK

Reference and administrative details

For the year ended 31 March 2014

Auditors

Sayer Vincent LLP
Chartered accountants and statutory
auditors
8 Angel Gate
City Road
London
EC1V 2SJ

Disability Rights UK

Report of the trustees

For the year ended 31 March 2014

The trustees present their report and the audited financial statements for the year ended 31 March 2014.

Reference and administrative information set out on page 2-3 forms part of this report. The financial statements comply with the current statutory requirements, the memorandum and articles of association and the Statement of Recommended Practice - Accounting and Reporting by Charities (SORP 2005).

A New Organisation Develops: The Story so Far

We are disabled people leading change

Disability Rights UK is the largest UK organisation led by people with all types of impairment or health condition. We were born in 2012 from a 3-way merger. We are:

- Led by people with lived experience of disability. 92% of our trustees are disabled people (and it will never fall below 75%, in line with our constitution)
- Committed to working with and for people with all types of impairment and health conditions: our trustees and senior staff include people with mental health issues, physical health conditions, hearing impairments, visual impairments, learning difficulties, mobility impairments and more
- A member-led charity with disabled people and organisations led by disabled people having the controlling vote

In our second full year (April 2013-March 2014) we:

Reached over a million people with information developed by and for disabled people

- Increased the reach of our information: the number of unique visitors to our website rose from 674,000 in 2012-13 to 713,000 in 2013-14 (almost 40,000 more unique visitors). In addition there were 104,000 unique visitors to our on-line shop, and a large social media following including over 17,000 twitter followers. The website visitors viewed over 2 million pages, on everything from Personal Independence Payment to getting into apprenticeships.
- Had over 700,000 factsheets downloaded, on benefits, education, independent living – with 93% of people saying the factsheets met the purposes they wanted them for (to learn about a new benefit, to advise a client etc)
- Served over 8,000 disabled people directly through our Helplines on independent living, education and work (up from 7,000 in 2012-13) – with 86% satisfaction; and held events around the country on issues including independent living, how to employ your own personal assistant, how to report and challenge hate crime, and how to seize opportunities to raise your skills and employment chances. Satisfaction with our events ranged from 85% to 95% (rating as good or excellent)

Disability Rights UK

Report of the trustees

For the year ended 31 March 2014

- Distributed over 20,000 products, including a new guide 'Into Apprenticeships', a guide on 'shared ownership' of housing (jointly with Advance), our Disability Rights Handbook, and Radar keys, with 89% rating our products as very good or excellent.

'It made me see Hate Crime, Mate Crime and bullying in a different light' (delegate at Hate Crime event)

'It answered the question what is and is not reportable' (delegate at Hate Crime event)

'Finding out what we can do as a User Led Organisation to encourage 3rd party reporting was valuable' (delegate at Hate Crime event)

'What a brilliant event this is. I learnt so much' (attendee at a workshop on how to employ a personal assistant)

Enabled thousands of disabled people to have a voice

- We engaged with thousands of disabled people in our campaigns. For example, over 500 people responded to our survey to find out the type of support disabled people value, to secure or keep employment. Over three quarters of respondents wanted to know what resources were available and to have a choice, to ensure the support was tailored to their particular individual needs. The research led to our publication 'Taking Control of Employment Support', which was profiled on Channel 4 News, BBC TV News and other channels. One of the survey respondents had a direct voice on BBC Breakfast TV. The ideas have been taken up by both government (in its disability and health employment strategy) and the opposition, and widely referenced in later reports on the topic by organisations such as Scope and The National Development Team for Inclusion (NDTI). In particular a commitment to personalised support, and peer support, is growing. Disabled people's voices in this campaign directly influenced policy.

Worked with local Disabled People's Organisations (DPOs) to show the power of projects led by disabled people

- Promoted guidance for DPOs acting as 'third party hate crime reporting centres'. Evidence from Blackpool shows reports of crimes go up significantly when you can report safely to another disabled person. In 2013-14 we held 3 events around the country to share good practice amongst local disability organisations, and promote the guidance. This is spreading good practice nationally
- Developed guides on how to create more 'inclusive communities' – ie local communities in which people with any experience of disability or health conditions can participate fully. We developed a literature review, and guides for both disabled people's organisations and local authorities.
- Undertook a project to remove barriers for disabled people to apprenticeships in London, working with employers, training providers and colleges

Disability Rights UK

Report of the trustees

For the year ended 31 March 2014

- Developed good DPO practice materials in supporting people to use personal budgets to manage their own support and live independent lives
- Worked with Equally Ours to promote a new narrative on human rights, including through co-hosting an event on disabled people's human rights
- Secured resources to establish a Leadership Academy to support disabled people to develop their careers

Influenced policy and practice on the basis of lived experience and good practice led by disabled people

- Completed work, linking with the Department for Business, Innovation and Skills, on improving skills for employment for disabled people. We commissioned a literature review and wrote a reflective report (rooted in our own Helpline data and experience) on the factors likely to support both young disabled people and those acquiring an impairment later in life to acquire skills for careers. We hosted a round-table, hosted by Barclays, attended by 35 DPOs, employers, colleges, national organisations (eg Association of Colleges, National Apprenticeship Service, UK Commission for Employment and Skills (UKCES)) and officials from Department for Business, Innovation and Skills (BIS) and Department for Work and Pensions (DWP), to devise ideas that are now feeding into both practice improvements and policy suggestions. Feedback has been very positive
- Delivered work with partners Shaping Our Lives and Change (all user-led organisations) to embed user-led developments in health and social care nationally, working as part of the Department of Health strategic partner programme. This included toolkits, advice on effective user engagement at local level, development of peer support, collaborative work on good practice commissioning and input to national policy.
- Influenced DWP guidance to local authorities on Discretionary Housing Payments (DHP) to say they should consider long term or indefinite payments to people in adapted housing; this should prevent people being unable to afford to stay in adapted housing, when alternatives are not available. Guidance included the wording we proposed:
 - 'If you were to award a DHP to a disabled claimant who lives in significantly adapted accommodation in the social rented sector but who is subject to the removal of the spare room subsidy, you should consider the DHP on a longer term basis, including an indefinite award subject to a relevant change in their circumstances'
- Influenced government to make improvements to Access to Work: extending it first to work experience organised through Job Centre Plus, then supported internships, then self-organised work experience. This is vital to offering young disabled people equal opportunities to get a foothold in the world of work

Disability Rights UK

Report of the trustees

For the year ended 31 March 2014

- Provided the Secretariat to the increasingly influential All-party Parliamentary Disability Group, which brings disabled people's voices into Parliament
- Influenced the Care Bill, resulting in human rights protections being available to people receiving state funded care in the private or voluntary sectors – as well as in state-provided care. This point was won in the House of Lords, overturned in the House of Commons, but finally Government agreed, thanks to the strong voices of disabled people and our work with partners
- Worked with the University of Kent and other partners to enable disabled people to have a voice in a major study for Joseph Rowntree on disabled people's poverty and the strategies that might reduce it
- Chaired the Disability Action Alliance (DAA), which brings together DPOs with private and public sector organisations to stimulate practical changes through partnership. Achievements of the DAA have included roll-out of a travel card to enable disabled people to communicate their access needs easily.

On our underpinning work to build our membership we:

- Grew our membership to 758 by March 2014, up by over 200 within the year
- Tanni Grey-Thompson has recently encouraged people to join Disability Rights UK - to build a big movement for rights - see <http://www.disabilityrightsuk.org/membership>
- We have a telephone advice line for organisational members - and have been able to support some to get significant change locally. For instance, in Sandwell we supported Ideal for All to successfully resist funding loss - see <http://www.disabilityrightsuk.org/news/2013/july/sue-bott-submits-ideal-all-petition> and in another area we helped show why the local authority was wrong to say people only qualified for exemption from council tax if they were in the Employment and Support Allowance (ESA) 'support group' - the local authority changed its position following our advocacy

On our underpinning work to build our reputation and communications we:

- Secured media profile across our priorities of independent living and careers, through channels including national TV and radio, national, local and specialist press
- Engaged with stakeholders across different regions, through speaking at events, joining meetings; and being part of significant coalitions such as Think Local Act Personal, the Disability Charities Consortium and Disability Benefits Consortium.

On our underpinning work to generate income and manage resources we:

- Built up our unrestricted income, in particular through our consultancy and training business. We delivered successful projects for organisations including Sainsburys, Time to Change campaign, Marie Curie, the Quakers and others

Disability Rights UK

Report of the trustees

For the year ended 31 March 2014

- Built a committed team working to achieve disabled people's rights
- Made a small loss in 2013-14 due to timing of projects. We have a robust business plan with a projected surplus in 2014-15.

Our plans and priorities for 2014-2015

Disability Rights UK's top two priorities for 2014-2015 are:

Independent living: getting a life

- We want to see more disabled people exercising choice and control over our support and our lives, to realise the human right to participate fully in society
- Our top campaign will be for independent living in practice
- We will reach thousands with new interactive resources and video stories to support using personal budgets and benefits to get a life – to participate in everything from sport to family and community

Career opportunities: getting work, education and skills

- We want greater equality at work - a reduced gap between disabled and non-disabled people's employment and pay
- Our top campaign will be led by young disabled people, demanding better career opportunities
- We will develop a new Leadership Academy, supporting disabled people to move out of low-paid positions and to realise their potential.
- We will increase our interactive resources, on getting 'Into Further Education' (a new guide), self employment, jobs and benefits

These will be underpinned by 2 organisational priorities:

Building voice and reach: active, engaged members

- We aim to increase individual members to 2,000 by March 2015; and organisational members from 300 to 500. We will work for active member engagement in our work and campaigns, through new policy and campaign forums

Creating a recognised and respected organisation

- We aim to be recognised as an authentic, authoritative organisation – the go-to organisation led by disabled people on our priorities of getting a life and career opportunities.

Disability Rights UK

Report of the trustees

For the year ended 31 March 2014

This will be funded through the following programmes:

Independent living: getting a life

We have secured, or are seeking, resources to:

- Expand access to our independent living advice, interactive guides and factsheets. This year we will launch new factsheets on independent living on our website (covering issues like how to manage a direct payment, what personal budgets can be spent on, how to employ a PA). We will also launch a new Independent Living Handbook, bringing together in one handbook everything an individual needs to know about living a positive life with a disability or health condition – covering issues from travelling to technology, social care support to education. All our resources will be developed and delivered by and for disabled people. Our Helpline is staffed by a woman who herself is a personal budget user
- Scale up our work with local Disabled People's Organisations on independent living: supporting disabled people's leadership at local level, and innovative use of personal budgets, including for sport and fitness
- Develop a new policy agenda for independent living in practice. We plan a conference, launch of a new vision, and also plan research with disabled people's organisations across the UK. This would involve building a strong partnership of commitment across the statutory, business and non profit sector. We will also work to track PIP and its impact; and to promote understanding of the new Care and Support Act.

Career opportunities: getting work, education and skills

We have secured, or are seeking, resources to:

- Expand access to our careers interactive guides and factsheets – through on-line video clips and interactive resources on further education, apprenticeships, good work experience, higher education, further education, career planning and more
- Develop a 'leadership academy' offering career development programmes run by and for disabled people
- Run a young disabled people's jobs campaign. At 16 young disabled people and non-disabled people have the same aspirations. By 26 many young disabled people feel hopeless and at 24 are twice as likely to not be in education, employment or training. Our campaign will work to turn that situation around, through engaging large numbers of young disabled people and influencing both employers and government.

New debates on disability policy

We have secured, or are seeking, resources to:

- Develop disabled people's engagement in new technologies – like Fab Labs and 3-D printing

Disability Rights UK

Report of the trustees

For the year ended 31 March 2014

- Host a series of working groups and debates on our priority areas
- With partners, undertake solution-focused research
- Inform the UN Committee on the Rights of Persons with Disabilities of disabled people's rights in the UK, as they are examining the UK in 2015.

With thanks to our Funders

We would like to thank our funders and supporters for their funding and kind donations through the year and for their continuing support in 2014 including:

Advance Housing
The Ajahma Charitable Trust
Barclays Wealth (UK)
Canterbury Cathedral
The City Bridge Trust
Department for Business, Innovation and Skills
Department of Health
East Pollokshields Columban House
Elizabeth and Prince Zaiger Trust
Enham Trust
Equality and Diversity Forum
Esmée Fairbairn Foundation
GD Herbert Charitable Trust
Habinteg
Harris and Sheldon Group Ltd
The Henry Smith Charity
The Ian Askew Charitable Trust
Irwin Mitchell
John Ellerman Foundation
Le Beau Visage
The Leathersellers' Company Charitable Fund
Livability
Low Income Tax Reform Group
Motability Tenth Anniversary Trust
New Policy Institute
Office for Disability Issues
The Robert Gavron Charitable Trust
PF Charitable Trust
Santander
Trust for London

Disability Rights UK

Report of the trustees

For the year ended 31 March 2014

We have also delivered consultancy and training to a number of organisations throughout the year.

A special thanks also to all our members and supporters who enable us to delivery our priorities and strengthen our voice.

Financial summary

The second full year of the charity has produced a small loss although this is after charging pension deficit payments of £95k. Some further restructuring and streamlining took place, with one member of the SMT leaving and not being directly replaced.

Further efficiencies were made following the year end as we left the old premises at City Forum and moved into serviced accommodation near Old Street. We expect there to be annual running cost savings of around £30k. There will be administrative savings as well.

The Remploy contract finished after notice in January 2014, however all other major contracts have been renewed, notably from the Department of Health and the Department for Business, Innovation and Skills. Consultancy and training are performing well and sales of the 39th Disability Rights Handbook and Radar Key continue to be on target.

As stated last year, most commercial activity has been processed through the charity as it has met our charitable objectives. The intention was to place sponsorship and commercial deals through Radar Promotions (RPL) but virtually all such transactions have been suitable to be placed through the charity. During the year a final push was made to collect old debts in RPL and at year end the old balances that were still outstanding were fully provided for.

However, the debt owed by the trading arm to the charity is still outstanding at year end albeit at a reduced amount to last year. We plan to route more business through RPL to generate funds to pay down the debt.

The charity has a defined benefit pension scheme which was transferred from one of the legacy charities, Radar. As at 31 March 2014 it had a FRS17 deficit valuation of £1,321k which is reflected in the accounts.

However, the results of the 3 year valuation as at 31 March 2013 showed a funding deficit of £3,464k (2010: £657k), a fivefold increase in the deficit. The effect of this would have been a repayment plan that would have been completely unaffordable to the charity. As a result, the charity entered discussions with the pension trustees to see if the deficit could be reduced in any way, and employed an independent actuary to challenge the assumptions. Although the deficit was negotiated down to a certain extent, the final repayment plan on

Disability Rights UK

Report of the trustees

For the year ended 31 March 2014

offer was over £200k per annum with the addition of the Pension Protection Fund (PPF) levy on top (£21k for 2014-15).

As a result the charity approached the PPF to see if they would take the Pension over in return for compensation from the charity. After negotiations, the PPF agreed in principle and on 11 November 2014 both members and creditors voted unanimously in favour of a Company Voluntary Arrangement (CVA) which resulted in the PPF taking over the scheme. The CVA was designed to also relieve the charity of the deficit burden of the Pensions Trust scheme that was inherited from Disability Alliance.

This outcome has removed the uncertainty of the pension deficit from the charity. While there are still payments to be made for the next seven years, they are less than would have been paid under the repayment plan, are fixed and known and other extra costs, such as the annual FRS17 fee are removed.

Statement of Public Benefit

Our strategic plan is developed to ensure we provide public benefit and achieve our objectives as set out in our governing document. Disability Rights UK board of trustees regularly monitors and reviews the success of the organisation in delivering its objectives which are:

1. to promote disabled people's independent living and their social inclusion by preventing them from being socially excluded or by assisting them to participate as equal citizens in society;
2. to promote the equality and diversity of disabled people and their access to appropriate support; and
3. to prevent or relieve the poverty or financial hardship of disabled people, and to meet their needs.

Our top priorities for 2014-2015 in meeting these objectives are: Independent Living: getting a life and career Opportunities: getting work, education and skills. These will be underpinned by two organisational priorities of building voice and reach through active engagement of members and creating a recognised and respected brand.

The trustees confirm, in the light of the guidance contained in the Charity Commission's general guidance on public benefit, that these aims fully meet the public benefit test and that all the activities of the charity, described in the report of the trustees, are undertaken in pursuit of these aims.

Disability Rights UK

Report of the trustees

For the year ended 31 March 2014

Reserves Policy

Reserves still remain low after a year which produced a small loss. This is partly due to the continued payments to the Radar pension scheme (see note 16 in the accounts). Following the CVA there will be a small reduction in these payments. Since the year end the charity has moved out of City Forum and moved to serviced accommodation which should result in lower premises charges as well as savings on administration.

Risk Management and Internal Controls

The trustees have overall responsibility for ensuring that the organisation operates an appropriate system of controls, financial and otherwise, to provide reasonable assurance that:

- the charity is operating efficiently and effectively
- proper records are maintained and financial information, used within the charity or for publication, is reliable
- the charity complies with relevant laws and regulations.

The Finance, Risk and Resources Committee is responsible for monitoring the effectiveness of the internal controls and reports to the board the results of such monitoring. This is achieved through:

- regular review of the risk register to identify and manage risks
- review of operational policies and procedures to ensure appropriate financial controls are in place
- a business plan, annual budget and cash flow forecast
- regular consideration by the trustees of actual results compared with budgets and forecasts
- segregation of duties
- a regular review of financial procedures.

Trustees, Organisational Structure and Governance

The board consists of 12 trustees. Disability Rights UK board is made up of at least 75% of disabled people. The board manages the business of the charity and exercises all the powers of Disability Rights UK. It seeks to ensure the charity is compliant with charity and company law and works with its charitable objectives.

A governance review has recently been undertaken and a new structure has been approved which was effective from September 2013. This consists of 3 committees accountable to the main board. The committees are:

- Financial Performance
- People
- Income Generation.

Disability Rights UK

Report of the trustees

For the year ended 31 March 2014

New trustees are appointed through a fair and open process ensuring, as far as possible, representation from a cross section of disability and skills.

The trustees delegate the day-to-day running of the organisation to the Senior Management Team which is made up of the Chief Executive Officer, the Director of Policy and Development, the Financial Controller, the Business Development Manager, the Policy and Communications Manager, the Advice Services Manager, and the Web Editor.

Related Party transactions

Disability Rights UK does not pay its trustees for work carried out on behalf of the charity and no such payments were made this year.

Statement of responsibilities of the trustees

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

Company law requires the trustees to prepare financial statements for each financial year which 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; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue in operation.

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

Disability Rights UK

Report of the trustees

For the year ended 31 March 2014

In so far as the trustees are aware:

- there is no relevant audit information of which the charitable company's auditors are unaware; and
- the trustees have taken all steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditors are aware of that information.

The trustees are responsible for the maintenance and integrity of the corporate and financial information included on the charitable company's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

Members of the charity guarantee to contribute an amount not exceeding £1 to the assets of the charity in the event of winding up. The total number of such guarantees at 31 March 2014 was 11 (2013 - 12). The trustees are members of the charity but this entitles them only to voting rights. The trustees have no beneficial interest in the group or the charity.

Auditors

Sayer Vincent LLP were appointed as the group and charity's auditors during the year and have expressed their willingness to continue in that capacity.

The report of the trustees has been prepared in accordance with the special provisions applicable to companies subject to the small companies' regime.

Approved by the trustees on 26 November 2014 and signed on its behalf by

Michael Bromwich - Treasurer

Independent auditors' report

To the members of

Disability Rights UK

We have audited the financial statements of Disability Rights UK for the year ended 31 March 2014 which comprise the Consolidated Statement of Financial Activities, the Group and Parent Charitable Company Balance Sheets and the related notes. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

This report is made solely to the company's members as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006 and section 144 of the Charities Act 2011 and regulations made under section 154 of that Act. Our audit work has been undertaken so that we might state to the 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 anyone other than the company and the 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 statement of responsibilities of the trustees set out in the report of the trustees, 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.

We have been appointed auditor under the Companies Act 2006 and section 151 of the Charities Act 2011 and report in accordance with those Acts. Our responsibility is to audit and express an opinion on 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 trustees; and the overall presentation of the financial statements. In addition, we read all the financial and non-financial information in the report of the trustees to identify material inconsistencies with the audited financial statements and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

Independent auditors' report

To the members of

Disability Rights UK

Opinion on financial statements

In our opinion the financial statements:

- give a true and fair view of the state of the group's and the parent charitable company's affairs as at 31 March 2014, and of the group's incoming resources and application of resources, including its income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006 and the Charities Act 2011.

Emphasis of matter

Going concern

In forming our opinion on the financial statements, which is not modified, we have considered the adequacy of the disclosure made in note 1b in the financial statements concerning the charitable company's ability to continue as a going concern. At 31 March 2014, the group had net liabilities of £1,185,561 which included a defined benefit pension scheme liability of £1,321,000 which was a material uncertainty at the year end. Note 1b explains that Disability Rights UK entered into a Company Voluntary Arrangement (CVA) on 11 November 2014 to manage this liability as well as how the trustees are managing costs and securing funds. The financial statements therefore do not include any adjustments that would result if the charitable company was unable to continue as a going concern.

Opinion on other matter prescribed by the Companies Act 2006

In our opinion the information given in the report of the trustees for the financial year for which the financial statements are prepared is consistent with the financial statements.

Independent auditors' report

To the members of

Disability Rights UK

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 and the Charities Act 2011 requires us to report to you if, in our opinion:

- the parent charitable company has not kept adequate and sufficient accounting records; or
- the parent charitable company 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; or
- the trustees were not entitled to take advantage of the small companies' exemptions in preparing the report of the trustees and take advantage for the small companies' exemption from the requirement to prepare a strategic report.

Judith Miller (Senior statutory auditor)

4 December 2014

for and on behalf of Sayer Vincent LLP, Statutory Auditors

8 Angel Gate, City Road, LONDON EC1V 2SJ

Sayer Vincent LLP is eligible to act as an auditor in terms of section 1212 of the Companies Act 2006.

Disability Rights UK

Consolidated Statement of Financial Activities (Incorporating an income and expenditure account)

For the year ended 31 March 2014

	Note	Unrestricted £	Restricted £	2014 Total £	2013 Total £
Incoming resources					
<i>Incoming resources from generated funds</i>					
Voluntary income	2	117,466	-	117,466	229,783
<i>Activities for generating funds</i>					
Training and consultancy		142,366	-	142,366	111,125
Trading subsidiary	10	11,526	-	11,526	522,261
Rental income		26,394	-	26,394	8,939
Investment income		2,002	-	2,002	1,052
<i>Incoming resources from charitable activities</i>					
Member services	3	45,360	-	45,360	69,040
Promoting social inclusion	3	277,025	507,125	784,150	898,486
Advice and publications	3	477,130	90,000	567,130	436,485
<i>Other incoming resources</i>		542	-	542	23,304
Total incoming resources		1,099,811	597,125	1,696,936	2,300,475
Resources expended					
<i>Costs of generating funds:</i>					
Voluntary income		40,068	-	40,068	186,322
Training and consultancy		120,132	-	120,132	138,184
Trading subsidiary	10	(11,174)	-	(11,174)	478,633
<i>Charitable activities</i>					
Member services		153,595	-	153,595	296,548
Promoting social inclusion		453,639	502,306	955,945	776,902
Advice and publications		277,494	90,000	367,494	258,906
<i>Governance costs</i>		40,143	-	40,143	60,945
<i>Other resources expended</i>		-	43,899	43,899	97,594
Total resources expended	4	1,073,897	636,205	1,710,102	2,294,034
Net incoming/(outgoing) resources before other gains/(losses)					
	5	25,914	(39,080)	(13,166)	6,441
Actuarial gain/(loss) on defined benefit pension scheme	17	111,000	-	111,000	(533,000)
Net movement in funds		136,914	(39,080)	97,834	(526,559)
Reconciliation of funds					
Total funds brought forward		(1,402,564)	119,169	(1,283,395)	(756,836)
Total funds carried forward		(1,265,650)	80,089	(1,185,561)	(1,283,395)

All of the above results are derived from continuing activities. There were no other recognised gains or losses other than those stated above. Movements in funds are disclosed above and in note 13 to the financial statements.

Balance sheets

As at 31 March 2014

		The group		The charity	
	Note	2014 £	2013 £	2014 £	2013 £
Fixed assets					
Tangible fixed assets	8	48,544	113,029	48,544	113,029
Investments	9	6,055	6,055	6,057	6,057
		54,599	119,084	54,601	119,086
Current assets					
Debtors	11	206,451	269,135	206,091	448,525
Cash at bank and in hand		67,741	183,024	66,764	156,392
		274,192	452,159	272,855	604,917
Liabilities					
Creditors: amounts due within 1 year	12	193,352	426,638	193,007	370,653
Net current assets		80,840	25,521	79,848	234,264
Net assets before pension liability		135,439	144,605	134,449	353,350
Defined benefit pension scheme liability	17	(1,321,000)	(1,428,000)	(1,321,000)	(1,428,000)
Net liabilities	13	(1,185,561)	(1,283,395)	(1,186,551)	(1,074,650)
Funds					
Restricted funds					
Other funds in surplus		80,089	119,169	80,089	119,169
Unrestricted funds					
General funds		241,394	234,180	54,360	234,181
Trading subsidiary funds		(186,044)	(208,744)	-	-
Net funds before pension reserve		135,439	144,605	134,449	353,350
Pension reserve		(1,321,000)	(1,428,000)	(1,321,000)	(1,428,000)
Total charity funds	14	(1,185,561)	(1,283,395)	(1,186,551)	(1,074,650)

Approved by the trustees on 26 November 2014 and signed on their behalf by

Michael Bromwich Treasurer

Disability Rights UK

Notes to the financial statements

For the year ended 31 March 2014

1. Accounting policies

- a) The financial statements have been prepared under the historical cost convention and in accordance with applicable accounting standards and the Companies Act 2006. They follow the recommendations in the Statement of Recommended Practice, Accounting and Reporting by Charities (SORP 2005).

These financial statements consolidate the results of the charitable company and its wholly-owned subsidiary Radar Promotions Limited on a line by line basis. Transactions and balances between the charitable company and its subsidiary have been eliminated from the consolidated financial statements. Balances between the two companies are disclosed in the notes of the charitable company's balance sheet. A separate statement of financial activities, or income and expenditure account, for the charitable company itself is not presented because the charitable company has taken advantage of the exemptions afforded by section 408 of the Companies Act 2006 and paragraph 397 of SORP 2005.

b) Going concern

The results have shown a small loss, however, this is after charging £95,862 of pension deficit costs (see note 16). A Company Voluntary Arrangement (CVA) was approved on 11 November 2014 which enabled the deficit on the defined benefit pension schemes to be transferred to the Pension Protection Fund. A one off payment will be made during 2014/15 together with £80k p.a over the next seven years. The granting of the CVA has no effect on staff, operating creditors, grant providers and project funders. The work of Disability Rights UK will continue as planned. After the year end, the charity had to vacate the premises at City Forum and move in to serviced accommodation. Compensation to vacate was agreed and received on 1 May. The running costs of the new premises should result in savings of around £30-40k p.a. and this together with the compensation and more streamlining in administration has resulted in a much healthier cash position at the time of these accounts being signed off. All new contracts have been renewed for the current year and a new 3 year contract confirmed. Processes have commenced to secure funding for 2015/16. The trustees therefore consider it appropriate to prepare the financial statements on a going concern basis.

- c) Voluntary income received by way of subscriptions, donations and gifts to the charity is included in full in the statement of financial activities when receivable.
- d) Revenue grants are credited to the statement of financial activities when received or receivable whichever is earlier.

Where unconditional entitlement to grants receivable is dependent upon fulfilment of conditions within the charity's control, the incoming resources are recognised when there is sufficient evidence that conditions will be met. Where there is uncertainty as to whether the charity can meet such conditions the incoming resource is deferred.

Disability Rights UK

Notes to the financial statements

For the year ended 31 March 2014

1. Accounting policies (continued)

- e) Resources expended are allocated to the particular activity where the cost relates directly to that activity. Resources expended include attributable VAT which cannot be recovered. However, the cost of overall direction and administration of each activity, comprising the salary and overhead costs of the central function, is apportioned on the following basis which is an estimate, based on staff time, of the amount attributable to each activity.

Cost of generating voluntary income	4.4%
Training and consultancy	8.1%
Member services	12.6%
Promoting social inclusion	40.3%
Advice and publications	30.6%
Governance costs	4.0%

Governance costs are the costs associated with the governance arrangements of the charity. These costs are associated with constitutional and statutory requirements and include any costs associated with the strategic management of the charity's activities.

- f) The costs of generating funds relate to the costs incurred by the group and charitable company in raising funds for the charitable work.
- g) Depreciation is provided at rates calculated to write down the cost of each asset to its estimated residual value over its expected useful life. The depreciation rates in use are as follows:

Equipment and furniture	3 years
Website and software	3 years
Leasehold improvements	3 years

Items of equipment are capitalised where the purchase price exceeds £500. Depreciation costs are allocated to activities on the basis of the use of the related assets in those activities. Assets are reviewed for impairment if circumstances indicate their carrying value may exceed their net realisable value and value in use.

- h) Restricted funds are to be used for specified purposes as laid down by the donor. Expenditure which meets these criteria is identified to the fund, together with a fair allocation of management and support costs.
- i) Unrestricted funds are donations and other incoming resources received or generated for the charitable purposes.

Disability Rights UK

Notes to the financial statements

For the year ended 31 March 2014

1. Accounting policies (continued)

j) The charitable company operates a defined benefit pension scheme. This scheme is now closed to new members, but a defined contribution pension scheme is operated to satisfy stakeholder pension requirements. The costs of providing pensions are charged to the Statement of Financial Activities as incurred for the defined contribution scheme. For the defined benefit scheme, the charity has adopted Financial Reporting Standard 17 for the accounting treatment of retirement benefits. The effect of this is to recognise the pension scheme asset/liability on the balance sheet. The amounts charged to total resources expended are the current service costs, the interest cost and the expected return on the assets. Actuarial gains and losses are recognised immediately after net income/expenditure for the year as other gains and losses in the Statement of Financial Activities.

2. Voluntary income

	Unrestricted £	Restricted £	2014 Total £	2013 Total £
Donations	47,069	-	47,069	122,816
Legacies	24,397	-	24,397	80,967
Sponsorship	46,000	-	46,000	26,000
Total	<u>117,466</u>	<u>-</u>	<u>117,466</u>	<u>229,783</u>

Disability Rights UK

Notes to the financial statements

For the year ended 31 March 2014

3. Incoming resources from charitable activities

	Unrestricted £	Restricted £	2014 Total £	2013 Total £
a Member services				
Organisational members	40,652	-	40,652	65,067
Individual members	4,708	-	4,708	3,973
Total	45,360	-	45,360	69,040
b Promoting social inclusion				
Government grants	-	396,000	396,000	464,498
Trust and foundation grants	78,900	111,125	190,025	290,952
Contracts	124,064	-	124,064	81,516
Key sales	74,061	-	74,061	61,520
Total	277,025	507,125	784,150	898,486
c Advice and publications				
Publications	296,001	-	296,001	257,037
Advice services	181,129	40,000	221,129	127,120
Website funding	-	50,000	50,000	52,328
Total	477,130	90,000	567,130	436,485

Disability Rights UK

Notes to the financial statements

For the year ended 31 March 2014

4. Resources expended

	Voluntary Income £	Training and consultancy £	Trading subsidiary £	Member services £	Promoting social inclusion £	Advice and publications £	Governance £	Other resources expended £	2014 Total £	2013 Total £
Costs directly allocated to activities										
Staff costs	-	27,942	-	54,959	291,011	47,623	-	-	421,535	518,812
Direct project costs *	7,643	32,498	(11,174)	5,782	367,949	94,315	10,669	43,899	551,581	869,044
Total Direct Costs	7,643	60,440	(11,174)	60,741	658,960	141,938	10,669	43,899	973,116	1,387,856
Support costs allocated to activities										
Staff costs	15,545	28,618	-	44,516	142,381	108,111	14,132	-	353,303	584,766
Premises	6,419	11,816	-	18,381	58,789	44,692	5,835	-	145,932	168,052
Office running costs	10,461	19,258	-	29,957	95,815	72,753	9,507	-	237,751	153,360
Total Support costs	32,425	59,692	-	92,854	296,985	225,556	29,474	-	736,986	906,178
Total Resources expended	40,068	120,132	(11,174)	153,595	955,945	367,494	40,143	43,899	1,710,102	2,294,034

* Direct project costs consists of project resource, events and other directly related costs

Disability Rights UK

Notes to the financial statements

For the year ended 31 March 2014

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

This is stated after charging:

	2014	2013
	£	£
Depreciation	65,024	77,149
Trustees' expenses	1,770	2,743
Trustees' remuneration	Nil	Nil
Auditors' remuneration:		
▪ Audit	20,000	20,000
Operating lease rentals:		
▪ Property	80,000	80,000
▪ Other (photocopying rental, now cancelled)	700	4,860
	<u>65,024</u>	<u>77,149</u>

Trustees expenses represent travel and subsistence costs of 11 (2013: 13) trustees.

6. Staff costs and numbers

Staff costs were as follows:

	2014	2013
	£	£
Salaries and wages	698,890	982,477
Social security costs	65,256	103,801
Pension contributions	10,692	17,300
	<u>774,838</u>	<u>1,103,578</u>

One member of staff was paid more than £60,000 in the year (2013:Two). Employer pension contributions for this member was £4,536 (2013: £5,040).

The average weekly number of employees (full-time equivalent) was as follows:

	2014	2013
Voluntary income	0.9	2.4
Training & consultancy	1.6	1.5
Member Services	2.5	3.3
Promoting social inclusion	8.0	14.3
Advice & publications	6.0	6.3
Governance	0.8	1.0
	<u>19.8</u>	<u>28.8</u>
Support staff numbers included above are:	<u>7</u>	<u>10</u>

Disability Rights UK

Notes to the financial statements

For the year ended 31 March 2014

7. Taxation

The charity is exempt from corporation tax as all its income is charitable and is applied for charitable purposes. The charity's trading subsidiary Radar Promotions Limited Gift Aids available profits to the charity. Its charge to corporation tax in the year was:

	2014 £	2013 £
UK corporation tax at 20% (2013: 20%)	-	-

8. Tangible fixed assets The Group & Charity

Cost	Equipment & furniture £	Website & software £	Leasehold improvement £	Total £
At the start of the year	89,457	109,215	55,934	254,606
Additions in year	539	-	-	539
At the end of the year	<u>89,996</u>	<u>109,215</u>	<u>55,934</u>	<u>255,145</u>
Depreciation				
At the start of the year	64,500	53,771	23,306	141,577
Charge for the year	22,496	23,883	18,645	65,024
At the end of the year	<u>86,996</u>	<u>77,654</u>	<u>41,951</u>	<u>206,601</u>
Net book value				
At the end of the year	<u>3,000</u>	<u>31,561</u>	<u>13,983</u>	<u>48,544</u>
At the start of the year	<u>24,957</u>	<u>55,444</u>	<u>32,628</u>	<u>113,029</u>

Disability Rights UK

Notes to the financial statements

For the year ended 31 March 2014

9. Investments

	The group		The charity	
	2014	2013	2014	2013
	£	£	£	£
Market value at the start and end of the year	<u>6,055</u>	<u>6,055</u>	<u>6,057</u>	<u>6,057</u>
Historic cost at the year end	<u>6,055</u>	<u>6,055</u>	<u>6,057</u>	<u>6,057</u>
Investments comprise:				
	The group		The charity	
	2014	2013	2014	2013
	£	£	£	£
UK unlisted shares	5,142	5,142	5,142	5,142
Investment in subsidiary	-	-	2	2
UK fixed interest	<u>913</u>	<u>913</u>	<u>913</u>	<u>913</u>
	<u>6,055</u>	<u>6,055</u>	<u>6,057</u>	<u>6,057</u>

Investments representing over 5% by value of the portfolio comprise:

	The group		The charity	
	2014	2013	2014	2013
	£	£	£	£
Help cards	5,142	5,142	5,142	5,142
Santander UK plc non-cumulative preference shares of £1 each	<u>913</u>	<u>913</u>	<u>913</u>	<u>913</u>

Disability Rights UK

Notes to the financial statements

For the year ended 31 March 2014

10. Subsidiary undertakings

The charitable company owns the whole of the issued ordinary share capital of Radar Promotions Limited, a company registered in England. The subsidiary is used for non-primary purpose trading activities. All activities have been consolidated on a line by line basis in the statement of financial activities. Available profits are Gift Aided to the charitable company. A summary of the results of the subsidiary is shown below:

	2014	2013
	£	£
Turnover	11,526	522,261
Cost of sales	(185)	(282,559)
Gross profit	11,341	239,702
Operating expenses	11,478	(196,074)
Operating profit	22,819	43,628
Interest payable	(119)	-
Profit on ordinary activities before taxation	22,700	43,628
Tax on ordinary activities	-	-
Profit for financial year	22,700	43,628

The aggregate of the assets, liabilities and funds was:

Assets	1,541	112,667
Liabilities	(187,583)	(321,409)
Funds	(186,042)	(208,742)

Disability Rights UK

Notes to the financial statements

For the Year Ended 31 March 2014

11. Debtors

	The group		The charity	
	2014	2013	2014	2013
	£	£	£	£
Trade debtors	137,978	231,080	137,618	145,046
Other debtors	20,369	4,940	20,369	4,940
Accrued income	970	1,800	970	1,800
Amounts due from subsidiary undertaking	-	-	-	265,424
Prepayments	47,134	31,315	47,134	31,315
	206,451	269,135	206,091	448,525

12. Creditors: amounts due within 1 year

	The group		The charity	
	2014	2013	2014	2013
	£	£	£	£
Trade creditors	65,308	175,862	64,759	139,280
Other creditors	11,980	34,682	11,980	33,456
Taxation and social security	27,128	46,892	27,332	28,714
Accruals	19,361	50,137	19,361	50,137
Deferred income	69,575	119,065	69,575	119,066
	193,352	426,638	193,007	370,653

13. Analysis of group net assets between funds

	Restricted funds	General funds	Total funds
	£	£	£
Tangible fixed assets	45,339	3,205	48,544
Investments	-	6,055	6,055
Net current assets	34,750	46,090	80,840
Net assets before pension liability	80,089	55,350	135,439
Defined benefit pension scheme liability	-	(1,321,000)	(1,321,000)
	80,089	(1,265,650)	(1,185,561)

Disability Rights UK

Notes to the financial statements

For the Year Ended 31 March 2014

14. Movements in funds

	At the start of the year £	Incoming resources £	Outgoing resources and losses £	Transfers £	At the end of the year £
Restricted funds:					
Department of Health - Strategic Partnership	-	199,500	(199,500)	-	-
DWP - Inclusive Communities	-	29,500	(14,750)	-	14,750
Office for Disability Issues - Stop Hate Crime	-	7,000	(7,000)	-	-
Trust for London - Tribunal Advice Service	-	30,000	(27,500)	-	2,500
Trust for London - London Apprentice City Bridge Trust - Benefits Advice work	5,081	37,125	(33,956)	-	8,250
BIS Education	-	40,000	(40,000)	-	-
Henry Smith - Personal Budgets	-	160,000	(160,000)	-	-
Esmée Fairbairn - Leadership Academy	9,250	37,000	(37,000)	-	9,250
Equally Ours	15,600	-	(15,600)	-	-
The John Ellerman Foundation - Website	-	7,000	(7,000)	-	-
Headley Trust Branding & Website capitalised	-	50,000	(50,000)	-	-
Esmée Fairbairn Branding & Website capitalised	23,483	-	(9,225)	-	14,258
Unification capitalisation	11,742	-	(4,613)	-	7,129
	54,013	-	(30,061)	-	23,952
Total restricted funds	<u>119,169</u>	<u>597,125</u>	<u>(636,205)</u>	<u>-</u>	<u>80,089</u>
General funds	<u>25,436</u>	<u>1,104,936</u>	<u>(1,079,022)</u>	<u>4,000</u>	<u>55,350</u>
Pension reserve	<u>(1,428,000)</u>	<u>-</u>	<u>111,000</u>	<u>(4,000)</u>	<u>(1,321,000)</u>
Total funds	<u>(1,283,395)</u>	<u>1,702,061</u>	<u>(1,604,227)</u>	<u>-</u>	<u>(1,185,561)</u>

Purposes of restricted funds

Department of Health - Strategic Partnership: this grant from the Department of Health funds a joint project with Shaping Our Lives and Change. It aims to share knowledge of health and social care policy amongst disability groups and to feedback intelligence to the Department of Health.

Department for Work and Pensions - Inclusive Communities: this grant funds a project which aims to establish best practice in including disabled people in their local communities. The outcomes include a review of literature and 2 sets of guidance which will be fed back to DWP and disseminated to local authorities and Disabled People's Organisations in order to stimulate practices that encourage greater inclusion.

Office for Disability Issues - Stop Hate Crime: this funding is to raise awareness of disability hate crime and to develop a tool kit for use by third party reporting centres.

Trust for London - Tribunal Advice Service: this funding supports advice centres in London to provide advice on all aspects of social security for disabled people.

Disability Rights UK

Notes to the financial statements

For the Year Ended 31 March 2014

14. Movements in funds (continued)

Purposes of restricted funds (continued)

Trust for London - London Apprentice: to support young disabled adults, aged 16 -24 into apprenticeships. The project aims to identify barriers young disabled people faced in accessing and sustaining apprenticeships. It relies on partnership work to deliver relevant in-work support for both the individual and the employer. Information gathered will be used to highlight any identified barriers and provide guidance to employers on best practice through case studies.

City Bridge Trust - Benefits Advice work: to provide a disability benefits advice and information service.

Department for Business Education and Skills - Education: to support the reform of adult learning and to advise on policy development.

Henry Smith - Personal Budgets: to maximise the opportunities offered by personal budgets across health, social care, access to employment and education for disabled people to have choice and control over the support they receive.

Esmée Fairbairn - Leadership Academy: conducting a feasibility study into setting up a leadership academy to develop disabled peoples potential in work.

Equally Ours: to facilitate the delivery of the 'Human Rights Communication Hub' to enable charities and other non-government organisations to tell their human rights stories.

The John Ellerman Foundation - Website: funding towards our advice and information work particularly in relation to our website.

Headley Trust - funding to develop our brand and website. Depreciation is charged against this fund.

Esmée Fairbairn - funding to develop our brand and website. Depreciation is charged against this fund.

Unification - various funding to support the merger of Disability Alliance, National Centre for Independent Living and Radar. Depreciation is charged against this fund.

15. Operating lease commitments

The charity and the group had annual commitments at the year end under operating leases expiring as follows:

	Land and buildings	
	2014	2013
	£	£
Less than 1 year	77,000	-
2 - 5 Years	-	80,000
	<u>77,000</u>	<u>80,000</u>

Disability Rights UK

Notes to the financial statements

For the year ended 31 March 2014

16. Pension overview

Disability Rights UK operates a defined benefit pension scheme which was transferred from the Royal Association for Disability Rights (Radar) on 21 March 2013. This scheme was closed to new members on 31 October 2005 and there are no active members. Financial details are shown in note 17.

DR UK participates in The Pensions Trust Growth Plan. As at 30 September 2013 the estimated cost of withdrawal, including Series 3 liabilities, was £149,153 (2012 £179,138). There are two active members and financial details are shown in note 18.

Analysis of pension costs included in resources expended

	2014	2013
	£	£
Radar defined benefit scheme		
Deficit payments and running costs	87,362	80,796
DA Pension Trust Growth Plan		
Deficit payments and running costs	8,500	-
Active pension schemes		
Employer contributions	10,692	17,300
	<u>106,554</u>	<u>98,096</u>

17. Defined benefit pension scheme

Reconciliation of the present value of scheme liabilities and fair value of assets to the liability recognised in the balance sheet

	2014	2013
	£'000	£'000
Present value of funded obligations	(6,959)	(7,032)
Fair value of scheme assets	5,638	5,604
Net liability	<u>(1,321)</u>	<u>(1,428)</u>
Amounts in the balance sheet		
Pension scheme liability	<u>(1,321)</u>	<u>(1,428)</u>

Disability Rights UK

Notes to the financial statements

For the year ended 31 March 2014

17. Defined benefit pension scheme (continued)

Total expense recognised in profit & loss

	2014 £'000	2013 £'000
Interest on obligation	285	280
Expected return on scheme assets	(167)	(211)
Total	118	69
Actual return on scheme assets	90	421

Changes in the present value of the defined benefit obligation are as follows:

	2014 £'000	2013 £'000
Opening defined benefit obligation	7,032	6,162
Interest cost	285	280
Actuarial (gains)/ losses	(188)	743
Benefits paid	(170)	(153)
Closing defined benefit obligation	6,959	7,032

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

	2014 £'000	2013 £'000
Opening fair value of scheme assets	5,604	5,271
Expected return	167	211
Actuarial (losses)/gains	(77)	210
Contributions by employer	114	65
Benefits paid	(170)	(153)
Closing fair value of scheme assets	5,638	5,604

The group expects to contribute £102,000 to the scheme in 2014/15.

The assets of the scheme and the net expected long-term return on these assets are:

	2014 %	Value £000's	2013 %	Value £000's
Equities	5.5%	2,199	5.0%	2,125
Bonds	2.8%	2,898	1.6%	2,875
Cash	2.0%	220	1.5%	362
Annuities	4.3%	321	4.1%	242

Disability Rights UK

Notes to the financial statements

For the year ended 31 March 2014

17. Defined benefit pension scheme (continued)

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

	2014	2013
	%	%
Discount rate at the end of the year	4.3%	4.1%
Pension increases in payment	3.1%	3.1%
RPI increases	3.3%	3.3%
CPI increases	2.3%	2.3%
Mortality*	1.2%	1.2%

*S1PA with CMI_2013 core projections and a long term rate of 1.2% pa.

Amounts for the current and previous four periods are as follows:

	2014	2013	2012	2011	2010
	£'000	£'000	£'000	£'000	£'000
Fair value of scheme Assets	5,638	5,604	5,271	5,223	5,032
Value of Liabilities (funded obligation)	6,959	7,032	6,162	5,387	5,469
Recognised surplus/(deficit)	(1,321)	(1,428)	(891)	(164)	(437)
Experience gain/(loss) on liabilities	(148)	-	-	54	-
Experience gain/(loss) on assets	(77)	210	(147)	5	1,097

Disability Rights UK

Notes to the financial statements

For the year ended 31 March 2014

18. The Pensions Trust Growth Plan

- a. DR UK participates in The Pensions Trust Growth Plan (the Plan). The Plan is funded and is not contracted-out of the State scheme. The Plan is a multi-employer pension plan.
- b. Contributions paid into the Plan up to and including September 2001 were converted to defined amounts of pension payable from Normal 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 Plan or by the purchase of an annuity.
- c. The rules of the Plan allow for the declaration of bonuses and/or investment credits if this is within the financial capacity of the Plan assessed on a prudent basis. Bonuses/investment credits are not guaranteed and are declared at the discretion of the Plan's Trustee.
- d. The Trustee commissions an actuarial valuation of the Plan every three 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 future investment returns.
- e. The rules of the Plan give the Trustee the power to require employers to pay additional contributions in order to ensure that the statutory funding objective under the Pensions Act 2004 is met. The statutory funding objective is that a pension scheme should have sufficient assets to meet its past service liabilities, known as Technical Provisions.
- f. If the actuarial valuation reveals a deficit, the Trustee will agree a recovery plan to eliminate the deficit over a specified period of time either by way of additional contributions from employers, investment returns or a combination of these.
- g. The rules of the Plan state that the proportion of obligatory contributions to be borne by the member and the member's employer shall be determined by agreement between them. Such agreement shall require the employer to pay part of such contributions and may provide that the employer shall pay the whole of them.
- h. As at the balance sheet date there were two active members of the Plan employed by DR UK. The plan is closed to new entrants. Contributions are 5% for both employee and employer.
- i. 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. The Plan is a multi-employer scheme, where the assets are co-mingled for investment purposes, and benefits are paid out of the Plan's total assets. Accordingly, due to the nature of the Plan, the accounting charge for the period under FRS17 represents the employer contribution payable.

Disability Rights UK

Notes to the financial statements

For the year ended 31 March 2014

18. The Pensions Trust Growth Plan (continued)

- j. An actuary carries out a formal valuation of the plan once every three years. The last formal valuation was carried out as at 30 September 2011 and finalised in September 2012.

The market value of the Plan's assets as at the valuation date was £780.3 million and the Plan's Technical Provisions (i.e. past service liabilities) were £927.9 m. The valuation therefore revealed a shortfall of £147.6 m, equivalent to a funding level of 84.1%.

Annual funding updates are provided throughout the inter-valuation period to ensure that employers are fully aware of movements in the funding position. The funding position as at 30 September 2013 was: assets £772.0 m, liabilities £927.5 m, shortfall £155.5 m. Funding level 83.2%.

- k. The financial assumptions underlying the valuation as at 30 September 2011 were as follows:

Rate of return pre retirement	7.6
Rate of return post retirement:	
Active/Deferred	5.1
Pensioners	5.6
Bonuses on accrued benefits	0
Inflation: Retail Prices Index (RPI)	2.9
Inflation: Consumer Prices Index (CPI)	2.4

- l. If an actuarial valuation reveals a shortfall of assets compared to liabilities, the Trustee must prepare a recovery plan setting out the steps to be taken to make up the shortfall.
- m. The Pensions Regulator has the power under Part 3 of the Pensions Act 2004 to issue scheme funding directions where it believes that the actuarial valuation assumptions and/or recovery plan are inappropriate. For example, the Regulator could require that the Trustee strengthens the actuarial assumptions (which would increase the Plan liabilities and hence impact on the recovery plan) or impose a schedule of contributions on the Plan (which would effectively amend the terms of the recovery plan). A copy of the recovery plan in respect of the September 2011 valuation was forwarded to The Pensions Regulator on 2 October 2012, as is required by legislation.
- n. 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 and The Pensions Act 2011 has more recently altered the definition of Series 3 of the Growth Plan so that a liability arises to employers from membership of any Series except Series 4. The debt is due in the event of the employer ceasing to participate in the Plan or the Plan winding up.
- o. 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.

Disability Rights UK

Notes to the financial statements

For the year ended 31 March 2014

- p. The leaving employer's share of the buy-out debt is the proportion of the Plan's liability attributable to employment with the leaving employer compared to the total amount of the Plan's liabilities (relating to employment with all the currently participating employers). The leaving employer's debt therefore includes a share of any 'orphan' liabilities in respect of previously participating employers. The amount of the debt therefore depends on many factors including total Plan liabilities, Plan investment performance, the liabilities in respect of current and former employees of the employer, financial conditions at the time of the cessation event and the insurance buy-out market. The amounts of debt can therefore be volatile over time.
- q. DRUK has been notified by The Pensions Trust of the estimated cost of withdrawal of the organisation as at 30 September 2013 (including Series 3 liabilities) was £149,153 (2012 £179,138).