

Company no. 07314865
Charity no. 1138585

Disability Rights UK
Report and Financial Statements
31 March 2012

sayer vincent

auditors and advisors

Disability Rights UK

Contents

For the year ended 31 March 2012

Reference and administrative details	1
Report of the trustees	2-12
A New Organisation is Born	2
Our Values	3
A New Strategy	3
Our Impact in 2011-12	4
Our Plans for 2012-13	6
Financial Performance	10
Reserves	10
Governance and Management	11
Independent auditors' report	13-14
Statement of financial activities	15
Balance sheet	16
Notes to the financial statements	17-33

Disability Rights UK

Reference and administrative details

For the year ended 31 March 2012

Status	The organisation is a charitable company limited by guarantee, incorporated on 14 July 2010 in the name of The Disability Rights Partnership. The organisation changed its name to Disability Rights UK on 28 October 2011. Disability Rights UK registered as a charity on 26 October 2010.						
Company number	07314865						
Charity number	1138585						
Registered office and operational address	Unit 12 City Forum 250 City Road LONDON EC1V 8AF						
Trustees	<p>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:</p> <table><tr><td>Kate Nash</td><td>Chair</td></tr><tr><td>Phil Friend</td><td>Vice Chair</td></tr><tr><td>Mike Smith</td><td>Treasurer</td></tr></table> <p>Anne Beales (Appointed 23 March 2012) Roger Berry (Appointed 7 November 2011) Michael Bromwich (Appointed 11 June 2011) Jane Cordell (Appointed 23 March 2012) Lorraine Gradwell (Appointed 23 March 2012) Asif Hussain (Appointed 7 November 2011) Ian Loynes (Appointed 7 November 2011)</p>	Kate Nash	Chair	Phil Friend	Vice Chair	Mike Smith	Treasurer
Kate Nash	Chair						
Phil Friend	Vice Chair						
Mike Smith	Treasurer						
Principal bankers	National Westminster Bank PO Box 2027 125 Great Portland Street London WA1 1GA						
Auditors	Sayer Vincent 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 2012

The trustees present their report and the audited financial statements for the year ended 31 March 2012.

Reference and administrative information set out on page 1 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 is Born

2011-12 was a momentous year in which we brought together 3 charities led by disabled people, all with track records in achieving greater equality for people with lived experience of disability or long-term health conditions. They are:

- National Centre for Independent Living, which - with disabled people's organisations (DPOs) - first pioneered models of support led by and for disabled people to lead independent lives; and then worked with DPOs and policy makers to spread independent living nationally
- Disability Alliance, which since the 1970s has led campaigns to break the link between disability and poverty - and published the Disability Rights Handbook, the comprehensive guide to all you need to know about welfare rights. Since 2011 it has also provided advice on further and higher education and policy work on apprenticeships and education – taking on the work of the former organisation Skill (Bureau of Students with Disabilities)
- Radar, which supported the All-party Parliamentary Disability Group; influenced policy on equality, employment, access, housing and more; supported hundreds of disabled people through leadership programmes, to be leaders in their communities and careers; and published a wide range of guides written by and for disabled people and distributed 'Radar keys' to accessible toilets

We decided on a merger in order to have a stronger voice, increased impact, more reach, more members and greater sustainability. In 2012-13 we plan to build on the work of all 3 organisations to achieve:

- more impact through 'joining up' our expertise and programmes on education/skills, employment, poverty, personal budgets, health and social care and disabled people's leadership
- 800 members, who together have a stronger voice with policy makers than each legacy organisation
- over half a million unique visitors to our website
- sustainability, through efficiency savings delivered by merger, and increased commercial opportunities through greater reach and partnerships

It was a true 3-way merger. The members of all 3 organisations voted in favour of merger at each stage and the first Board of 9 trustees, in 2011, was made up of 3 trustees from each of the organisations. In March 2012, at an extraordinary general meeting (EGM), our members elected new trustees and – following additional trustee appointments – a new Board was created in 2012.

Over 90% of the new Board have lived experience of disability or long-term health conditions (our constitution requires at least 75%).

Disability Rights UK works hard to be inclusive of people with all types of impairment or health condition – in our trustees, staff, volunteers and in our work.

Disability Rights UK

Report of the trustees

For the year ended 31 March 2012

We meet regularly with national organisations led by disabled people in Scotland, Wales and Northern Ireland and have agreed a protocol for working collaboratively, in a spirit of mutual support.

By the early Summer of 2012 we had put in place the Board and the staffing structure and were ready to go - as a leading pan-disability organisation, led by disabled people, determined to make a difference.

Our Values

Helping change happen

We:

- Believe society will only change when disability equality is at the heart of policy and practice, benefitting everyone: disabled people, families, communities, business and society as a whole
- Forge partnerships for greater change
- Work for equal opportunities, equal outcomes

Being inclusive

We:

- Subscribe to the social model of disability and seek to remove disabling barriers
- Include everyone living with impairments or health conditions, however they view themselves, from different communities, ages and experiences

Led by disabled people

We:

- Believe organisations led by and accountable to disabled people are crucial, enabling voices to be heard and delivering support to achieve independent living and equality
- Model leadership, with at least 75% of our own Board having lived experience of disability or health conditions; and also the majority of staff, to be achieved through positive action when positions become available

A New Strategy

In 2011 we developed our first strategic plan, agreed by the members of all the 3 organisations going into the merger.

Vision

A society where everyone with lived experience of disability or health conditions can participate equally as full citizens.

Mission

We strengthen the voice of disabled people to make our rights real, as an effective national organisation led by people with a wide range of impairments or health conditions.

Disability Rights UK

Report of the trustees

For the year ended 31 March 2012

Objectives

- To mobilise disabled people's leadership and control – in our own lives, our organisations and society
- To achieve independent living in practice
- To break the link between disability and poverty
- To put disability equality and human rights into practice across society

The first objective underpins the other 3. It is only through disabled people's leadership that we will achieve independent living, routes out of poverty and wider equality. For the individual, control over your own life and support is the starting point for independent living and wider opportunities.

We agreed our core values to ensure we fully live the values of the disability movement – to be inclusive, led by disabled people and to help change happen.

Our members overwhelmingly supported the strategy – as well as making detailed suggestions, many of which we incorporated:

- 92% supported - or supported largely or strongly - the Vision
- 85% supported - or supported largely or strongly - the Mission
- 87% supported - or supported largely or strongly - the Values
- 93% supported - or supported largely or strongly - the Objectives
- 86% supported - or supported largely or strongly - the Name

Public Benefit

The trustees have referred to the guidance contained in the Charity Commission's general guidance on public benefit when reviewing the charity's aims and objectives and in planning its future activities. In particular, the trustees consider how planned activities will contribute to the aims and objectives that have been set.

The paragraphs below set out our activities, achievements and performance during the year, which are directly related to the objects and purposes for which the charity exists.

1.1 The Objects of the Charity are for the public benefit:

- (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.

These benefits are directly related to the aims of the charity and are fully compliant with Principles 1 and 2 of the Charity Commission Principles on Public Benefit.

Our Impact in 2011-12

In 2011-12 we delivered powerful continuation work from the legacy organisations.

We advised and informed large numbers of disabled people:

- We served people through our factsheets, website and advice lines. Our factsheet on Employment and Support Allowance alone was downloaded by around 25,000 people each month.

Disability Rights UK

Report of the trustees

For the year ended 31 March 2012

We shared guides written by and for disabled people:

- Into Higher Education, sharing experiences with disabled students and tips on how to get the most out of university
- Doing Sport Differently, designed to enable disabled people to exercise their right to get involved in sport and physical fitness, launched by Baroness Tanni Grey-Thompson with support from Visa
- Doing Careers Differently, which shares disabled people's experiences of 'getting on' at work – developed with the support of the Skills Funding Agency
- Three guides on how to prevent hostility and hate crime faced by disabled people. The guides are for disabled people, their families and friends (who may be the first to know something has happened) and disabled people's organisations (DPOs)

'I have had so many positive comments this week about the book..... It is a fantastic publication and it is such a positive move forward to encourage disabled people to think about sport and recreation' (Baroness Tanni Grey-Thompson)

We supported the growth of disabled people's leadership:

- The Radiate network of disabled people in senior roles, supported by Lloyds Banking Group, grew in membership - to 200 - and set up mentoring for disabled people earlier in their careers
- We delivered leadership programmes for disabled people, many of whom went on to take up leadership roles in local or national organisations; and specific programmes for people from BME communities; and outreach to ensure inclusion of people with learning disabilities, mental health issues and those living with HIV. All programmes achieved over 80% satisfaction rates and three quarters of participants said they were more likely to achieve their leadership ambitions as a result. Our funders included the Department for Communities and Local Government, Esmée Fairbairn, Trust for London and Elton John Foundation
- We celebrated disabled leaders at an event at Number 10 Downing Street addressed by disabled MPs from all political parties

We worked strategically at national level:

- We worked as a Strategic Partner with the Department of Health, working with local DPOs to contribute the voice of disabled people to national work on commissioning, independent living and personal budgets. We held 9 networking events around England, reaching 181 disabled people, enabling them to share their experiences and priorities for Disability Rights UK and wider policy. We worked with Think Local Act Personal to support independent living nationally, and with the Right to Control advisory group in DWP.
- We worked strategically on further and higher education as well as apprenticeships, working with the Department for Business Innovation and Skills.
- We supported the All-party Parliamentary Disability Group, chaired by Baroness Jane Campbell and Anne McGuire MP. The group held meetings on issues including welfare reform, social care and digital inclusion. We have increased the number of MPs involved and spread the message of disability equality, through holding joint meetings with other all-party groups.

Disability Rights UK

Report of the trustees

For the year ended 31 March 2012

We campaigned vigorously for policy changes, in a tough economic environment:

- We campaigned on Welfare Reform, given that government action would set back the hard won gains of independent living and opportunity for many disabled people. We achieved a few specific gains: the new Personal Independence Payment (PIP) assessments will now be piloted prior to roll-out, to avoid a repeat of the problems with the earlier Work Capability Assessment; we secured agreement that people in residential care will not automatically lose their support for mobility (since this could have seriously jeopardised disabled people's independence). We continue to monitor the impact of changes and to campaign strongly.
- We influenced Government on social care. We influenced the Department of Health to put portability of social care at the heart of their plans on social care – through supporting Baroness Jane Campbell with her private members' bill on social care. We worked within the Care and Support Alliance, through letters to the Prime Minister and the press and behind the scenes, to press for a funding mechanism for decent social care for the future: this was agreed in principle by David Cameron in 2012. We helped shape the work of the Joint Committee on Human Rights, which reported on the need for Government policy to support independent living as a human rights issue.

On finance, over 2011-12 we incurred one-off merger costs, including for legal work, new systems, refurbishing our premises and more. We are grateful to all our funders for their contribution to these requirements. We did make a loss in 2011-12, due largely to merger costs, but have a realistic budget in 2012-13, benefiting from the efficiencies of merger, to make a surplus and start to build our reserves. We also have an agreed plan to repay pension liabilities that relate to final salary pension schemes that are now closed.

Our Plans for 2012-13

'Our top priorities are freedom and opportunity for disabled people: the freedom to lead independent lives and the opportunity to participate in family, social and economic life. We will support freedom and opportunity through our own guides, written by and for disabled people, and through our work with local DPOs to promote full participation. We will judge policy through the lens of freedom and opportunity. If policy poses a threat – if it leaves people afraid of a return to institutional care, or more isolated or unable to afford to participate – we will campaign strongly to change it. If policy could support freedom and opportunity we will work with DPOs, government and other partners to make it happen'. (Liz Sayce, Chief Executive)

We will work hard with our members to deliver on our 4 agreed objectives:

- To mobilise disabled people's leadership and control – in our own lives, our organisations and society

Focus for 2012-13:

More and more confident, disabled leaders:

- In our communities – leading DPOs, local campaigns and projects, elected to public office
- Progressing in our careers
- To achieve independent living in practice

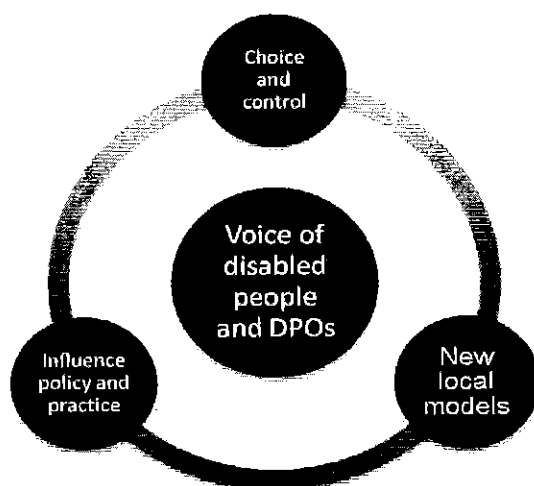
Disability Rights UK

Report of the trustees

For the year ended 31 March 2012

- To put tools for independent living in the hands of large numbers of individuals; to test new models of personal budgets; and to influence social care policy
- To break the link between disability and poverty
- To reach large numbers of individual disabled people and advisors with high quality information and advice on routes out of poverty – welfare rights, education, skills, apprenticeships, employment
- To influence wider policy and practice on disability and poverty – including welfare reform regulations and Access to Work
- To put disability equality and human rights into practice across society
- To reach individuals with information and advice on rights; and to set new agendas on disability equality and rights

Our model of change



The voice of disabled people and DPOs will be at the centre of everything we do. Our detailed plans this year are informed by the priorities our members told us about at our networking events in early 2012; and through surveys and co-production on specific issues.

On each of our 4 objectives we will pursue our 3 methods of delivering change (the outer circles). They all re-enforce each other:

- We will enable individual choice and control and leadership - through publications written by and for disabled people, advice lines and leadership programmes
- We will develop new local models – working with DPOs to test new approaches to supporting people to use personal budgets and to participate in communities
- We will campaign and influence policy and practice – working with disabled people and DPOs, drawing on the lived experience of members and users of our advice line, and on the 'new models' to generate learning about solutions. We will influence both policy (through agenda setting policy papers and campaigns) and practice (through consultancy and training). We will aim for a strong collective voice and powerful partnerships with a range of organisations who can together achieve change.

Disability Rights UK

Report of the trustees

For the year ended 31 March 2012

We will enable choice, control and leadership, through:

- Becoming a leading publisher of quality information and guides written by and for disabled people, across our objectives. On independent living, titles will cover personal budgets, managing your PA, a comprehensive guide to rights and services for people acquiring impairments, specific guides on holidays, sport and other leisure activities. On routes out of poverty titles will cover skills and higher education, careers and all aspects of welfare rights (including the Disability Rights Handbook).
- Continuing to distribute Radar keys to accessible toilets and accompanying guides.
- Reaching large numbers of disabled people with our factsheets, guides and products: we aim for 500,000 visitors to our website, 50,000 factsheet downloads, and at least 40,000 publications (eg Disability Rights Handbooks) as well as other products (eg Radar keys, apps) distributed.
- Continually refining our publications in the light of disabled people's priorities and views.
- Serving at least 6,600 disabled people through our advice lines – on independent living, skills and further/higher education, benefits of work calculations and (for members only) welfare rights. We will also provide disability rights training and advice to the organisation providing a national Equality Advice Service (replacing the Equality and Human Rights Commission's helpline). We will support individual benefit appeals through our Tribunals Support Service.
- Develop the next stage of our work to support disabled people's leadership in communities and workplaces: doubling the size of the Radiate network of disabled people in senior jobs supported by Lloyds Banking Group to at least 400, enabling them to mentor disabled people earlier in their careers; delivering a leadership programme specifically targeting people from BME communities, funded by Trust for London, and spreading the learning; and developing plans for exciting new leadership programmes in communities and workplaces, working with DPOs and a number of companies.

We will test new local models through:

- Working with local DPOs on independent living, to test out an approach to supporting people with personal budgets across different parts of the state (social care, health, employment etc). This project, supported by the Henry Smith Foundation, will generate learning for new models of relationship between the individual and the state.
- Working with disabled people and companies, to create routes out of poverty through apprenticeships, particularly for young disabled people – who are twice as likely to be 'not in employment, education or training' than non-disabled young people. This project, funded by Trust for London, will generate learning for employers and apprenticeship services, on how to enable more disabled people to take up apprenticeships, how to overcome barriers.
- Working with DPOs to share good practice in third party reporting of hate crime.
- Developing plans to work with a number of local DPOs to enable more disabled people to participate in sport. Disabled people are only half as likely to participate in sport as non-disabled people. We hope to work with DPOs to enable disabled people, following the Paralympic Games, to exercise their right to participate in everyday sporting opportunities, and to break down barriers.

Disability Rights UK

Report of the trustees

For the year ended 31 March 2012

We will influence policy and practice through

- Influencing policy and practice on health and social care. This will include being a Strategic Partner with the Department of Health, working with DPOs and the Department, sharing experience both ways, and promoting effective approaches to independent living, including promoting user-led commissioning and pooled budgets. It will also include campaigning for a social care system founded on human rights – supporting independence and dignity, reducing isolation, with a strong funding outcome on social care and portability of social care. We will work with partners to achieve this. We will influence practice strategically through delivering work for organisations including Social Care Institute for Excellence to support co-production of national plans.
- Influencing policy and practice on routes out of poverty. We will work with BIS and partners and members in the skills sector, to promote opportunities for disabled people for apprenticeships, further and higher education; and to good careers advice in the new adult careers service. We will work to influence government to radically improve the Access to Work programme. We will campaign vigorously on welfare reform, and monitor its impact on disabled people, aiming to influence the regulations, and to influence plans for universal credit and personal independence payment. We will object where these plans create disincentives to employment or independent living; we will work positively where there is the potential to remove disincentives.
- Influencing policy and practice on equality. We will set out policy proposals and suggested solutions on key policy areas: skills, social care, welfare reform. We will set out plans for a new agenda for research and for a policy 'manifesto'. We will support the All-party parliamentary group to promote disability equality across different policy domains – always drawing attention to the policy proposals that promote, or jeopardise, freedom and opportunity. We will influence practice through our consultancy and training services, working with selected organisations to support them with issues such as user testing of products and services, and career development opportunities for disabled people. We are in discussion with the Office for Disability Issues on the potential for us to convene an Alliance of organisations committed to working together to make change happen at local level, building on successful partnership working.

Underpinning all our work will be an involvement and communications strategy. We aim to reach 4 core audiences:

- People living with disability or long-term health conditions
- Disabled People's Organisations
- Policy makers and their circles of influence
- Partner and allied organisations, including disability organisations and companies

We will involve our members in everything we do; and communicate with our core audiences through meetings around the country, events, regular e-bulletins and social media. We have targets for our national and local media coverage along with coverage in Hansard. Disability Rights UK is often in the media:

We plan to appoint a small number of Ambassadors who will work with us to strengthen our influence and communicate the message of disability rights and equality. We are delighted that Baroness Jane Campbell, Baroness Tanni Grey-Thompson, Lord Low, Stephen Brookes, Sir Bert Massie and Lord Jamie Borwick have accepted our invitation to become Ambassadors.

Disability Rights UK

Report of the trustees

For the year ended 31 March 2012

Income and sustainability

We have a good spread of income sources including Trusts and Foundations, commercial trading, membership, corporate income, government funding and donations.

We have a commercial strategy designed to increase our income from trading. The merger has increased our reach (for instance we have half a million web visitors), which means we can offer a strong profile to sponsors and advertisers keen to reach disabled people, as well as selling good value products directly (e.g. Disability Rights Handbook, in which we expect to see an increased revenue in 2012-13). We also offer consultancy and training: in particular bringing disabled people together to test products and services, and to support career development opportunities within companies. We also offer consultancy and training on independent living and welfare rights, based on co-production. All our work is guided by an ethical trading policy.

Disability Rights UK is in a stronger position for sustainability than any of the legacy organisations that came together to form it.

Internal capacity

In 2012-13 we will complete the set up of the systems, policies and procedures to ensure a robust organisation. We are pleased that we employ a significant number of disabled people and that we have entered into a voluntary union recognition agreement. We seek to offer opportunities to young disabled people for good work experience and internships.

We have quality standards for our main projects. We expect all our events, advice services, projects and products to achieve at least 80% satisfaction (many achieve more).

We will monitor both risks and opportunities through the year. High level risks include the exceptionally unstable economic situation. Opportunities include the unprecedented profile of disability during the Paralympic Games. Performance and risk are regularly reviewed by our Finance, Risk and Resources Committee and by the full Board.

Financial Performance

2011/12 was a transitional year for Disability Rights UK. Our results are not reflective of the work that has been carried out to establish the new organisation. Our financial position will look more positive in 2012/13 after which we will have a truer picture of prior year comparatives and will be able to start tracking trend data.

Reserves

Disability Rights UK is working to build unrestricted reserves of three months budgeted operational costs to meet the following:

- The operational expenses of the charity to support us through times when our cash flow is tight
- The cost of unforeseen liabilities for employment or other legal claims not covered by insurance
- The cost of restructuring and redundancies felt necessary to ensure the on-going viability of the

It is expected that it will take until 2014 to build our reserves to this level.

Disability Rights UK

Report of the trustees

For the year ended 31 March 2012

Governance and Management

Disability Rights UK is a charitable company (7314865) limited by guarantee governed by its Articles of Association and is registered with the Charities Commission (1138585). The charity has a trading arm – Radar Promotions Limited and three dormant subsidiaries, being the three legacy charities – Disability Alliance, National Centre for Independent Living and Radar.

Board of trustees

The board consists of 13 trustees made up of trustees from the legacy organisations and some newly elected trustees. An induction programme is currently being developed for the new board. 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 objects.

The board currently has two committees which report and make recommendations to it; a Finance, Risk and Resources Committee and a Memberships and Nominations Committee.

A governance review is planned during the last quarter of 2012. This will be informed by the experiences from the first nine months trading of Disability Rights UK. The outcome will identify gaps in the committee structure and determine how the trustees and management can work most effectively together to optimise the work of the charity.

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

Related Parties transactions

During the year two trustees were paid for their work on behalf of the charity:

- Phil Friend was paid to deliver some specialised consultancy; and
- Agnes Fletcher was paid to deliver an project on behalf of Radar, one of the legacy charities.

Disability Rights UK

Report of the trustees

For the year ended 31 March 2012

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 trustees' report 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

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 2012 was 16 (2011 - 16). 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 were appointed as the group and charity's auditors during the year and have expressed their willingness to continue in that capacity.

Approved by the trustees on 12 December 2012 and signed on its behalf by



Lesley Baliga - Secretary

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 2012 which comprise the Group 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 the 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. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

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 2012, 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.

Independent auditors' report

To the members of

Disability Rights UK

Emphasis of matter

Going concern

Without qualifying our opinion, we draw your attention to note 1b in the financial statements which indicates that the company is dependent on future funding from a number of key providers. At 31 March 2012, the group had net current liabilities of £18,498. Note 1b explains that since the year end, the charity has been in negotiations with its key funders with a view to securing future funding. The board of trustees are confident these negotiations will be successful but the level of net current liabilities does indicate some uncertainty about the group's ability to continue as a going concern. The financial statements do not include the adjustments that would result if the group 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.

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 returns adequate for our audit have not been received from branches not visited by us; 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.

Judith Miller (Senior statutory auditor)

21 December 2012

for and on behalf of Sayer Vincent, Statutory Auditors

Sayer Vincent, 8 Angel Gate, City Road, LONDON EC1V 2SJ

Sayer Vincent 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 2012

	Note	Unrestricted £	Restricted £	2012 Total £	2011 Total £
Incoming resources					
<i>Incoming resources from generated funds</i>					
Voluntary income	2	114,566	-	114,566	260,385
Activities for generating funds		-	-	-	83,447
Training and consultancy		162,507	-	162,507	137,440
Trading subsidiary	9	313,201	-	313,201	523,170
Investment income		2,158	-	2,158	1,030
<i>Incoming resources from charitable activities</i>					
Member services		98,934	-	98,934	375,675
Promoting Social Inclusion		-	1,128,275	1,128,275	1,615,230
Advice and publications		496,027	-	496,027	326,238
<i>Other incoming resources</i>		<u>90,026</u>	<u>251,000</u>	<u>341,026</u>	-
Total incoming resources		<u>1,277,419</u>	<u>1,379,275</u>	<u>2,656,694</u>	<u>3,322,615</u>
Resources expended					
<i>Costs of generating funds:</i>					
Costs of generating voluntary income		180,202	-	180,202	64,015
Training and consultancy		120,499	-	120,499	111,625
Trading subsidiary	9	392,206	-	392,206	588,008
<i>Charitable activities</i>					
Member Services		252,192	-	252,192	340,572
Disabled Peoples Involvement		147	1,176,847	1,176,994	1,675,382
Research and Advocacy		-	-	-	249,156
Advice and publications		499,739	-	499,739	222,614
<i>Governance costs</i>		<u>44,817</u>	<u>-</u>	<u>44,817</u>	<u>63,761</u>
<i>Other resources expended - unification costs</i>		<u>50,074</u>	<u>244,292</u>	<u>294,366</u>	-
Total resources expended	3	<u>1,539,876</u>	<u>1,421,139</u>	<u>2,961,015</u>	<u>3,315,133</u>
Net (outgoing)/incoming resources before transfers	4	(262,457)	(41,864)	(304,321)	7,482
Gross transfers between funds		<u>(78,170)</u>	<u>78,170</u>	-	-
Net (expenditure)/income for the year		(340,627)	36,306	(304,321)	7,482
Actuarial gains/(losses) on defined benefit pension scheme	15	<u>(788,000)</u>	<u>-</u>	<u>(788,000)</u>	<u>220,000</u>
Net movement in funds		(1,128,627)	36,306	(1,092,321)	227,482
Reconciliation of funds					
Total funds brought forward		<u>174,145</u>	<u>161,340</u>	<u>335,485</u>	<u>108,003</u>
Total funds carried forward		<u>(954,482)</u>	<u>197,646</u>	<u>(756,836)</u>	<u>335,485</u>

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.

Disability Rights UK

Balance sheets

As at 31 March 2012

	Note	The group		The charity	
		2012 £	2011 £	2012 £	31 July 2011 £
Fixed assets					
Tangible fixed assets	7	146,607	100,559	141,201	-
Investments	8	6,055	6,055	6,057	-
		<u>152,662</u>	<u>106,614</u>	<u>147,258</u>	<u>-</u>
Current assets					
Debtors	10	358,061	674,570	462,720	-
Cash at bank and in hand		190,634	362,998	169,168	-
		548,695	1,037,568	631,888	-
Liabilities					
Creditors: amounts due within 1 year	11	567,193	644,697	392,610	-
Net current (liabilities)/assets		(18,498)	392,871	239,278	-
Net assets before pension liability		134,164	499,485	386,536	-
Defined benefit pension scheme liability	15	(891,000)	(164,000)	-	-
Net (liabilities)/assets	12	(756,836)	335,485	386,536	-
Funds					
Restricted funds					
Other funds in surplus		197,646	161,340	197,646	-
Unrestricted funds					
General funds		188,890	511,512	188,890	-
Trading subsidiary funds		(252,372)	(173,367)	-	-
Net funds before pension reserve		134,164	499,485	386,536	-
Pension reserve		(891,000)	(164,000)	-	-
Total charity funds	13	(756,836)	335,485	386,536	-

Approved by the trustees on 12 December 2012 and signed on their behalf by



Mike Smith

Treasurer

Disability Rights UK

Notes to the financial statements

For the year ended 31 March 2012

1. Accounting policies

- a) The financial statements have been prepared under merger accounting principles 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).

Disability Alliance Educational and Research Association, The Royal Association For Disability Rights and the National Centre for Independent Living merged on the 1 January 2012 to form Disability Rights UK.

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 charity is dependent on receiving future funding from key providers. At the current time, the management team and the trustees are in negotiations with key funders. The trustees are confident these negotiations will be successful and accordingly have prepared the financial statements on the 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.

- 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	15%
Training and consultancy	12%
Member services	25%
Disabled people's involvement	25%
Advice and publications	15%
Governance costs	3%
Unification	5%

Disability Rights UK

Notes to the financial statements

For the year ended 31 March 2012

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.

1. Accounting policies (continued)

- 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 £1,000. 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.

2. Voluntary income

	Unrestricted	Restricted	2012 Total	2011 Total
	£	£	£	£
Donations	98,658	-	98,658	45,860
Legacies	5,908	-	5,908	196,795
Sponsorship	10,000	-	10,000	17,730
Total	<u>114,566</u>	<u>-</u>	<u>114,566</u>	<u>260,385</u>

3. Resources expended

	Cost of generating voluntary income	Training and consultancy	Trading subsidiary	Member services	Disabled peoples involvement	Advice and publications	Governance	Other resources expended - unification costs	2012 Total
Costs directly allocated to activities									
Staff costs	4,338	-	-	14,880	258,824	200,370	2,839	35,672	516,923
Other	25,643	322	192,753	1,519	641,290	175,608	11,988	170,949	1,220,072
Total Direct Costs	29,981	322	192,753	16,399	900,114	375,978	14,827	206,621	1,736,995
Support costs allocated to activities									
Staff costs	74,466	59,573	110,989	124,109	134,607	52,612	14,893	52,021	623,270
Premises	36,600	29,280	-	61,000	71,927	25,673	7,320	12,200	244,000
Other	39,155	31,324	88,464	50,684	70,346	45,476	7,777	23,524	356,750
Total Support costs	150,221	120,177	199,453	235,793	276,880	123,761	29,990	87,745	1,224,020
Total Resources expended	180,202	120,499	392,206	252,192	1,176,994	499,739	44,817	294,366	2,961,015
2011 totals	Cost of generating voluntary income	Training and consultancy	Trading subsidiary	Member services	Disabled peoples involvement	Advice and publications	Governance	Research and Advocacy	2011 Total
	64,015	111,625	588,008	340,572	1,675,382	222,614	63,761	249,156	3,315,133

Disability Rights UK

Notes to the financial statements

For the year ended 31 March 2012

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

This is stated after charging:

	2012 £	2011 £
Depreciation	57,597	17,344
Trustees' expenses	5,157	3,540
Trustees' remuneration	Nil	Nil
Auditors' remuneration:		
▪ Audit	20,000	24,698
Operating lease rentals:		
▪ Property	169,115	186,790
▪ Other	1,269	-
	<u>169,115</u>	<u>186,790</u>
	<u>1,269</u>	<u>-</u>

Trustees expenses represent travel and subsistence costs of 10 (2011: 7) trustees.

5. Staff costs and numbers

Staff costs were as follows:

	2012 £	2011 £
Salaries and wages	1,050,210	1,090,009
Social security costs	106,241	102,706
Pension contributions	21,211	19,943
	<u>1,177,662</u>	<u>1,212,658</u>

Two members of staff were paid more than £60k in the year. Employer pension contributions for one of these members was £4,236. No contributions were paid for the other member of staff.

The average weekly number of employees (full-time equivalent) from January to March (being the first three month's of the new organisation) was as follows:

	2012 No.	2011 No.
SMT (CEO/Directors)	6	3
Finance, HR, IT & administration	5	7
Direct Charitable activity	13	20
Income generation	6	7
	<u>30</u>	<u>37</u>

Disability Rights UK

Notes to the financial statements

For the year ended 31 March 2012

6. 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:

	2012 £	2011 £
UK corporation tax at 20% (2011 : 21%)	-	-

7. Tangible fixed assets

The group

Cost	Equipment & furniture £	Website & software £	Leasehold improvements £	Total £
At the start of the year	220,838	81,468	-	302,306
Additions in year	39,655	8,056	55,934	103,645
Disposals in year	(173,093)	(21,823)	-	(194,916)
At the end of the year	<u>87,400</u>	<u>67,701</u>	<u>55,934</u>	<u>211,035</u>
Depreciation				
At the start of the year	179,924	21,823	-	201,747
Disposals in year	(173,093)	(21,823)	-	(194,916)
Charge for the year	28,021	24,915	4,661	57,597
At the end of the year	<u>34,852</u>	<u>24,915</u>	<u>4,661</u>	<u>64,428</u>
Net book value				
At the end of the year	<u><u>52,548</u></u>	<u><u>42,786</u></u>	<u><u>51,273</u></u>	<u><u>146,607</u></u>
At the start of the year	<u>40,914</u>	<u>59,645</u>	<u>-</u>	<u>100,559</u>

The Charity

Cost	Equipment & furniture £	Website & software £	Leasehold improvements £	Total £
Transfer from Legacy Charities 1 January 2012	84,405	59,592	55,934	199,931
Additions in period	2,995	-	-	2,995
At the end of the year	<u>87,400</u>	<u>59,592</u>	<u>55,934</u>	<u>202,926</u>
Depreciation				
Transfer from Legacy Charities 1 January 2012	28,905	3,500	-	32,405
Charge for the period	5,947	18,712	4,661	29,320
At the end of the year	<u>34,852</u>	<u>22,212</u>	<u>4,661</u>	<u>61,725</u>
Net book value				
At the end of the year	<u><u>52,548</u></u>	<u><u>37,380</u></u>	<u><u>51,273</u></u>	<u><u>141,201</u></u>

Disability Rights UK

Notes to the financial statements

For the year ended 31 March 2012

8. Investments

	The group		The charity	
	2012	2011	2012	2011
	£	£	£	£
Market value at the start of the year	6,055	6,055	-	-
Transfer from Legacy Charities 1 January 2012	-	-	6,057	-
Market value at the end of the year	6,055	6,055	6,057	-
Historic cost at the year end	6,055	6,055	6,057	-

Investments comprise:

	The group		The charity	
	2012	2011	2012	2011
	£	£	£	£
UK unlisted shares	5,142	5,142	5,142	-
Investment in subsidiary	-	-	2	-
UK fixed interest	913	913	913	-
	6,055	6,055	6,057	-

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

	The group		The charity	
	2012	2011	2012	2011
	£	£	£	£
Help cards	5,142	5,142	5,142	-
Santander Preference Shares	913	913	913	-

Disability Rights UK

Notes to the financial statements

For the year ended 31 March 2012

9. 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:

	2012 £	2011 £
Turnover	313,201	523,170
Cost of sales	229,406	438,900
Gross profit	83,795	84,270
Operating expenses	162,800	163,664
Other operating income	-	1,056
Operating (loss)	(79,005)	(80,450)
Tax on ordinary activities	-	556
(Loss) for financial year	(79,005)	(79,894)
The aggregate of the assets, liabilities and funds was:		
Assets	185,117	363,686
Liabilities	(437,487)	(537,051)
Funds	(252,370)	(173,365)

The accounts also incorporate the results of the following Legacy Charities which are all incorporated in the United Kingdom:

National Centre for Independent Living (NCIL)
Disability Alliance Educational and Research Association (DA)
Royal Association for Disability Rights (Radar)

Disability Rights UK

Notes to the financial statements

For the year ended 31 March 2012

9. Subsidiary undertakings (continued)

Summary income and expenditure accounts

	NCIL £	DA £	Radar £	Total £
Total incoming resources	254,859	975,050	1,211,313	2,441,222
Cost of generating funds	(23,245)	(9,207)	(488,437)	(520,889)
Charitable expenditure	(174,965)	(607,329)	(832,316)	(1,614,610)
Unification costs	-	(160,392)	(22,285)	(182,677)
Governance costs	<u>(8,994)</u>	<u>(13,211)</u>	<u>(45,907)</u>	<u>(68,112)</u>
Net incoming/(outgoing) resources before other recognised gains and losses	47,655	184,911	(177,632)	54,934
Actuarial gains/losses on defined benefit pension scheme	<u>-</u>	<u>-</u>	<u>(788,000)</u>	<u>(788,000)</u>
Net income/(expenditure) for the year	47,655	184,911	(965,632)	(733,066)
Total funds brought forward	<u>214,289</u>	<u>18,006</u>	<u>103,190</u>	<u>335,485</u>
	261,944	202,917	(862,442)	(397,581)
Transfer to DR UK on 1 January 2012	<u>(261,944)</u>	<u>(202,917)</u>	<u>(28,558)</u>	<u>(493,419)</u>
Retained in subsidiary	<u>-</u>	<u>-</u>	<u>(891,000)</u>	<u>(891,000)</u>
The assets and liabilities of the legacy charities at 31 March 2012 were:				
Fixed assets	-	-	-	-
Current assets	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Creditors: Amounts falling due within 1 year	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net assets excluding pension liability	-	-	-	-
Deferred benefit pension scheme liability	<u>-</u>	<u>-</u>	<u>(891,000)</u>	<u>(891,000)</u>
Net liabilities including pension liability	<u>-</u>	<u>-</u>	<u>(891,000)</u>	<u>(891,000)</u>

Disability Rights UK

Notes to the financial statements

For the Year Ended 31 March 2012

10. Debtors

	The group		The charity	
	2012 £	2011 £	2012 £	2011 £
Trade debtors	189,511	507,199	137,852	-
Other debtors	21,563	-	28,976	-
Accrued income	20,000	120,417	12,500	-
Amounts due from subsidiary undertaking	-	-	255,229	-
Prepayments	126,987	46,954	28,163	-
	<u>358,061</u>	<u>674,570</u>	<u>462,720</u>	<u>-</u>

11. Creditors: amounts due within 1 year

	The group		The charity	
	2012 £	2011 £	2012 £	2011 £
Trade creditors	213,011	301,042	184,612	-
Other creditors	40,086	-	40,086	-
Taxation and social security	54,242	79,260	37,374	-
Accruals	108,021	197,951	69,360	-
Deferred income	151,833	66,444	61,178	-
	<u>567,193</u>	<u>644,697</u>	<u>392,610</u>	<u>-</u>

12. Analysis of group net assets between funds

	Restricted funds £	General funds £	Total funds £
Tangible fixed assets	84,878	61,729	146,607
Investments	-	6,055	6,055
Net current assets	<u>112,768</u>	<u>(131,266)</u>	<u>(18,498)</u>
Net assets before pension liability	197,646	(63,482)	134,164
Defined benefit pension scheme liability	-	(891,000)	(891,000)
	<u>197,646</u>	<u>(954,482)</u>	<u>(756,836)</u>

Disability Rights UK

Notes to the financial statements

For the Year Ended 31 March 2012

13. Movements in funds

	At the start of the year £	Incoming resources £	Outgoing resources and losses £	Transfers £	At the end of the year £
Restricted funds:					
Strategic Partnership	17	220,000	(220,017)	-	-
Opportunities for Volunteers	17,387	297,965	(298,654)	-	16,698
All-Party Parliamentary Disability Group	-	10,202	(10,202)	-	-
Elton John Aids Foundation	23,291	(15,380)	(7,911)	-	-
Stop Hate Crime	-	7,000	(60)	-	6,940
Leadership & Empowerment DCLG	-	123,000	(123,000)	-	-
Trust for London - Leadership & Empowerment	3,333	47,500	(50,833)	-	-
Trust for London - Welfare Rights	-	15,000	(15,000)	-	-
Leadership Comic Relief	12,621	32,238	(44,859)	-	-
Esmee Fairbairn	8,585	19,000	(27,585)	-	-
BBC Children in Need	15,703	(2,200)	(13,503)	-	-
HSBC Guide	-	14,150	(4,150)	-	10,000
Making it Personal	-	45,928	(20,578)	-	25,350
Skills BIS	-	151,971	(98,191)	-	53,780
ULO Networks (S64)	59,403	146,901	(206,304)	-	-
Small projects	21,000	-	(21,000)	-	-
Richmond Borough Mind	-	10,000	(10,000)	-	-
Guide Dogs	-	5,000	(5,000)	-	-
Unification project	-	158,406	(236,576)	78,170	-
Unification capitalisation	-	92,594	(7,716)	-	84,878
Total restricted funds	161,340	1,379,275	(1,421,139)	78,170	197,646
General funds	338,145	1,277,419	(1,600,000)	(78,170)	(62,606)
Pension reserve	(164,000)	-	(727,000)	-	(891,000)
Total funds	335,485	2,656,694	(3,748,139)	-	(755,960)

Purposes of restricted funds

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

Opportunities for Volunteers - Department of Health: this funding supported small disability organisations specifically to increase the involvement of volunteers in local projects

All-Party Parliamentary Disability Group: provides secretariat support to enable the All Party Parliamentary Disability Group to raise important and relevant issues of disabled people in parliament

Elton John Aids Foundation (EJAF): this project provided life coaching for people to enable them to live positively with HIV/AIDS. The primary goal was to boost service users self confidence and help them back into work

Stop Hate Crime ODI: this funding is to raise awareness of disability hate crime

Disability Rights UK

Notes to the financial statements

For the Year Ended 31 March 2012

Leadership & Empowerment - Department of Communities and Local Government: this project delivers leadership development programmes for disabled people and regional empowerment forums to give voice to groups and individuals so that they can influence good practice locally

Trust for London - Leadership and Empowerment: the objective of this project is to promote and encourage future leaders from disabled people amongst the black and minority ethnic communities within London

Trust for London - Welfare Rights: this funding is to support the welfare rights work of the charity

Leadership - Comic Relief: this project delivered a series of residential leadership events for young disabled people

Esmée Fairbairn Foundation: provides funds for a Leadership and Empowerment Assistant

BBC Children in Need: funding to focus on leadership activity amongst young disabled people in Yorkshire

HSBC Guide: to provide a guide for MPs

Making it Personal - Department of Education: funding to produce a guide and handbook for local authority commissioners and parents of disabled children about personal budget

Skills - BIS: to support the reform of adult learning and skills for disabled people

ULO Networks (S64): to promote and develop user-led organisations of disabled people

Small projects: funds granted for some of our small projects were made to further our charitable objectives in supporting disabled people

Richmond Borough Mind: funding to undertake research into the experience of families, friends and carers of people with mental health difficulties, and other impairments, to improve policy and practices.

Guide Dogs: research for Welfare Rights campaigning

Unification: various funding to support the merger of Disability Alliance, National Centre for Independent Living and Radar

Transfers

A transfer was made from general funds to the unification project to cover project costs.

14. Operating lease commitments

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

	2012		2011	
	Land and buildings £	Other £	Land and buildings £	Other £
Less than 1 year	-	5,236	31,500	-
2 - 5 Years	80,000	-	96,000	5,054
	<u>80,000</u>	<u>5,236</u>	<u>127,500</u>	<u>5,054</u>

Disability Rights UK

Notes to the financial statements

For the year ended 31 March 2012

15. Radar defined benefit pension scheme

The Radar pensions scheme is a final salary scheme and was closed to new members on 31 October 2005. There are no active members. Disability Rights UK entered into a memorandum of understanding to replace Radar as the Principal Employer. On 21st March 2012 Disability Rights UK agreed to provide a guarantee to fund the scheme to S75 level. This was registered with the Pensions Regulator. Radar will continue to be a participating employer to the Scheme.

	Defined benefit pension plans	
	2012 £'000	2011 £'000
Present value of funded obligations	(6,162)	(5,387)
Fair value of plan assets	<u>5,271</u>	<u>5,223</u>
	(891)	(164)
Present value of unfunded obligations	-	-
Unrecognised past service cost	<u>-</u>	<u>-</u>
Deficit	(891)	(164)
Related deferred tax asset	<u>-</u>	<u>-</u>
Net liability	<u>(891)</u>	<u>(164)</u>
Amounts in the balance sheet		
Liabilities	(891)	(164)
Assets	<u>-</u>	<u>-</u>
Net liability	<u>(891)</u>	<u>(164)</u>

Amounts recognised in net incoming resources are as follows:

	Defined benefit pension plans	
	2012 £'000	2011 £'000
Current service cost	-	-
Interest on obligation	292	296
Expected return on plan assets	(279)	(301)
Past service cost	-	-
Losses on curtailments and settlements	<u>-</u>	<u>-</u>
Total	<u>13</u>	<u>(5)</u>
Actual return on plan assets	<u>132</u>	<u>306</u>

Disability Rights UK

Notes to the financial statements

For the year ended 31 March 2012

15. Radar defined benefit pension scheme (continued)

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

	Defined benefit pension plans	
	2012 £'000	2011 £'000
Opening defined benefit obligation	5,387	5,469
Service cost	-	-
Interest cost	292	296
Actuarial losses / (gains)	641	(215)
Losses (gains) on curtailments	-	-
Liabilities extinguished on settlements	-	-
Liabilities assumed in a business combination	-	-
Exchange differences on foreign plans	-	-
Benefits paid	(158)	(163)
Closing defined benefit obligation	<u>6,162</u>	<u>5,387</u>

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

	Defined benefit pension plans	
	2012 £'000	2011 £'000
Opening fair value of plan assets	5,223	5,032
Expected return	279	301
Actuarial gains and (losses)	(147)	5
Assets distributed on settlements	-	-
Contributions by employer	74	48
Assets acquired in a business combination	-	-
Exchange differences on foreign plans	-	-
Benefits paid	(158)	(163)
	<u>5,271</u>	<u>5,223</u>

The group expects to contribute £80,800 to its defined benefit pension plan in 2012/13.

The major categories of plan assets as a percentage of total plan assets are as follows:

	2012 %	Value £000's	2011 %	Value £000's
Equities	5.3%	3,064	6.4%	3,224
Bonds	2.0%	1,542	3.8%	1,447
Cash	1.8%	414	2.9%	304
Annuities	4.6%	251	5.5%	248

Disability Rights UK

Notes to the financial statements

For the year ended 31 March 2012

15. Radar defined benefit pension scheme (continued)

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

	2012 %	2011 %
Discount rate at the end of the year	4.6%	5.5%
Pension increases in payment	3.0%	3.2%
RPI increases	3.2%	3.5%
CPI increases	2.2%	2.9%
Mortality	<u>1.2%</u>	<u>1.2%</u>

SIPA with CMI_2011 projections and a long term rate of 1.2% pa

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

	2012 £'000	2011 £'000	2010 £'000	2009 £'000	2008 £'000
<i>Defined benefit pension plans</i>					
Fair value of scheme					
Assets	5,271	5,223	5,032	3,848	4,563
Value of Liabilities (funded obligation)	6,162	5,387	5,469	3,987	4,009
Recognised surplus/(deficit)	(891)	(164)	(437)	(139)	116
Unrecognised	-	-	-	-	438
Experience gain/(loss) on liabilities	-	54	-	-	43
Experience gain/(loss) on assets	<u>(147)</u>	<u>5</u>	<u>1,097</u>	<u>(893)</u>	<u>(260)</u>

Disability Rights UK

Notes to the financial statements

For the year ended 31 March 2012

16. Disability Alliance Educational and Research Association defined benefit contributions pension obligation

- a. Disability Alliance participates in The Pensions Trust's 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. Disability Alliance paid contributions at the rate of 5% during the accounting period. Members paid contributions at the rate of 5% during the accounting period.
- i. As at the balance sheet date there were six active members of the Plan employed by Disability Alliance. Disability Alliance has closed the Plan to new entrants.
- j. 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 2012

16. Disability Alliance Educational and Research Association defined benefit contributions pension obligation (continued)

- k. The valuation results at 30 September 2008 were completed in 2009 and have been formalised. The valuation of the Plan was performed by a professionally qualified Actuary using the Projected Unit Method. The market value of the Plan'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%.
- l. The financial assumptions underlying the valuation as at 30 September 2008 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
Rate of price inflation	3.2

- m. In determining the investment return assumptions the Trustee considered advice from the Scheme Actuary relating to the probability of achieving particular levels of investment return. The Trustee has incorporated an element of prudence into the pre and post retirement investment return assumptions; such that there is a 60% expectation that the return will be in excess of that assumed and a 40% chance that the return will be lower than that assumed over the next 10 years.
- n. The preliminary triennial valuation results as at 30 September 2011 were received in March 2012 but, as the valuation will not be finalised until later this year, this disclosure note must still refer to the 2008 valuation results as the last completed valuation.
- o. The Scheme Actuary's preliminary results for 30 September 2011 show that the Plan's assets at that date were £780 million and the Plan's Technical Provisions (i.e. past service liabilities) were £928 million. The valuation therefore revealed a shortfall of assets compared with the value of liabilities of £148 million, equivalent to a funding level of 84%.
- p. 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.
- q. 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 2008 valuation was forwarded to The Pensions Regulator on 18 December 2009, as is required by legislation.

Disability Rights UK

Notes to the financial statements

For the year ended 31 March 2012

16. Disability Alliance Educational and Research Association defined benefit contributions pension obligation (continued)

- r. 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. (Our recent correspondence to all employers refers.) The debt is due in the event of the employer ceasing to participate in the Plan or the Plan winding up.
- s. 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.
- t. 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.
- u. Disability Alliance 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 2011. As of this date the estimated employer debt for Disability Alliance was £130k.