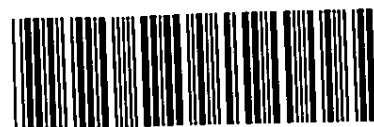


Sandwell Mind
(Formerly Sandwell Association For Mental Health)
Company Number 4660523
Registered Charity Number: 1096473
Annual Report
Year ended 31 March 2011

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SANDWELL MIND

ANNUAL REPORT

YEAR ENDED 31 MARCH 2011

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SANDWELL MIND**1****OFFICERS AND ADVISORS****YEAR ENDED 31 MARCH 2011****Registered Office**

3rd Floor
Bradfield House
Popes Lane
Oldbury
West Midlands
B69 4PA

Management Committee and Trustees

Nicole Danks	Chair
Edward Kuczerawy	Treasurer
Caron Thompson	Trustee
Lisa Done	Trustee (resigned – 17 th September 2010)
Jagdish Gill	Trustee
Stephen Weaver	Trustee
Teresa Mingay	Trustee (appointed – 17 th September 2010)
Claire Dale	Trustee (resigned – 5 th October 2010)

Bankers

HSBC
120 High Street
Smethwick
West Midlands
B66 3AN

Bank of Scotland
Pentland House
8 Lockside Avenue
Edinburgh
EH12 9DJ

Auditor

PKF (UK) LLP
New Guild House
45 Great Charles Street
Queensway
Birmingham
B3 2LX

Registered Charity No

1096473

Registered Company No

4660523

Chief Executive and Company Secretary

Monica Shafaq

TRUSTEES' REPORT**YEAR ENDED 31 MARCH 2011****1. Structure Governance and Management**

Sandwell Mind is a voluntary organisation constituted as a registered charity and a company limited by guarantee. It is governed by a committee of voluntary Trustees (the Management Committee) who are also directors of the company. The Trustees also comprise the membership of the charity. Each Trustee is given appropriate induction and training relevant to their responsibility. Trustees are encouraged to involve themselves in areas of particular interest through close involvement with the management, staff and users of the charity's services.

The Trustees elect officers at the Annual General Meeting including a Chair and a Treasurer from amongst their number. The Trustees have agreed a set of 'role descriptions' and 'person specifications' in respect of the officer roles (Chair, Treasurer) and the general trustee role. These have been reviewed and a more structured recruitment and induction process has been introduced. A new member has joined the management committee during this accounting year and a recruitment exercise has been undertaken to attract others in the forthcoming months.

The Trustees have overall responsibility for ensuring that the charity has appropriate systems of control, financial and otherwise. The systems of internal control are designed to provide reasonable, although not absolute, assurance against material misstatement or loss. They include:

- An annual budget approved by Trustees
- Regular consideration by the Trustees of financial results, variance from budgets, nonfinancial performance indicators and bench-marking reviews
- Delegation of authority and segregation of duties
- Identification and management of risks

In addition to the AGM the Management Committee meets six times a year. A Finance and General Purposes Committee, chaired by the Treasurer, meets four times a year. Attendance at the meetings of the Finance and General Purposes Committee is open to all Trustees, and issues relating to finances such as regular review of management accounts, service planning, and personnel are considered in detail.

Responsibility for strategy, planning and the day-to-day management of operations is delegated to an executive team of managers led by the Chief Executive, who also acts as Company Secretary. Formal reporting by the Chief Executive to the Trustees takes place regularly throughout the year. The committee meeting protocol continues to be updated to ensure that there is a regular review of key issues, such as investment, risk management, performance data and regulatory monitoring.

Following a restructure of the management team in September 2010, and the introduction of the Charity's new Improving Access to Psychological Therapies (IAPT) 'Talking In Mind' service, a team of 97 staff report to the Chief Executive through a senior management team consisting of the Services Manager — Kevin Whitehouse, the Interim Finance Manager — Keith Rees, the IAPT Manager — Sue Vincent and the Interim Personnel Manager — John Wilson.

Sandwell Mind has been affiliated to Mind (the National Association for Mental Health) since 1973, and on the 17th May 2011 changed its name from Sandwell Association for Mental Health.

TRUSTEES' REPORT

YEAR ENDED 31 MARCH 2011

2 Objects and Activities

The objects of Sandwell Mind are to

promote the preservation and the safeguarding of mental health and the relief of persons suffering from mental disorder

Our Mission to promote and support better mental health across Sandwell

Our Aims.

- | | |
|------------------|--|
| Recovery | to deliver high quality and appropriate services for people who experience mental ill health, promoting recovery, independence and integration at all times |
| Inclusion | to facilitate and support community integration and participation for people with mental health problems |
| Awareness | to raise awareness of mental health across the communities of Sandwell, to challenge stigma associated with mental illness, to promote and support positive mental health across the communities of Sandwell |

Sandwell Mind's Core Values are as follows

Quality

We are committed to achieving and maintaining appropriate standards for the organisation and its services, and to building, supporting and maintaining a skilled, high quality workforce to ensure excellent service delivery and governance

Access and Equality

Our commitment to equality is reflected in our policies, practices and services. This commitment goes beyond our ethos to promote equality and challenge discrimination. It involves an active commitment to identifying areas where inequality of access to mental health services and support exists for individuals and groups across the diverse communities of Sandwell, and to developing structures to address this wherever possible.

Continuous Improvement and Development

We will carry out structured and regular review of the organisation and its services, their quality and their impact in order to inform and influence development. We will build skills and seek resources to implement new services and/or facilities in response to identified need.

Partnership

We are accountable to all our stakeholders and are committed to making sure the views and needs of our service users, funders and other partners are listened to. We will work with service providers and policy makers to have influence into the development of services and strategies which impact the communities we exist to serve.

Sustainability

We have a responsibility to our service users and the communities in which they live to ensure that the services we develop and deliver are sustainable, and to ensure that resources are responsibly managed and allocated.

TRUSTEES' REPORT**YEAR ENDED 31 MARCH 2011**

The Trustees have referred to the Charity Commission's general guidance on public benefit and feel that the existing aims and values meet the requirement set out for small charities. A review of the mission, aims and core values has been undertaken and it is felt that they remain relevant to the charity's purposes. A review of the charity's governance structure and how it can support the charity's ability to meet these aims was undertaken in November 2010 with the new structure to take effect from April 2011.

How Our Activities Deliver Public Benefit

Our aims and funding limit the services we provide to those resident in Sandwell. According to the 2001 Census Data information, there are some 287,500 people living within Sandwell. The Office for National Statistics published 2006 based sub-national population projections on 12th June 2008, which cover the period 2006-2031 and give an indication of the future trends in population over the next 25 years. They are trend based projections, which means assumptions for future levels of births, deaths and migration are based on observed levels mainly over the previous five years. They show what the population will be if recent trends in these continue. The 2006 based projections show a much greater increase in Sandwell's population than the previous 2004 based projections. They indicate that the population will increase between 2006 and 2031 by 35,600, an increase of 12.4%. Sandwell is also projected to experience a considerable ageing of the population. The population aged 60 and over is expected to increase by 18,600 (+30.9%) between 2006 and 2031. The greatest increase within this category is expected to be those aged 85+ (+4,600, +80.7%). The only age group showing a decrease is the 35-39 age group.

Mental health illness impacts people of all ages and economic backgrounds. Some illnesses are clinically diagnosed whereas others are not which makes it difficult to determine the number of people requiring mental health service provision. Our funding limits those we can help, for example, our floating support service (SORT) can only deal with 177 individuals at any one time. Demand for this service is high with referrals being received from professional organisations as well as individuals. This service is provided free of charge.

Equal access to our services is of paramount importance. The management team have developed a standardised monitoring form which is used across all services to ensure that effective equality monitoring can take place and any gaps easily identified. Any weaknesses identified are included within the charity's Service Improvement Plan. We believe that equal access to our services is vital to our success and that successful outcomes must be shared by all sections of the community.

TRUSTEES' REPORT**YEAR ENDED 31 MARCH 2011**

Our main activities for the year continued to meet Sandwell Mind's Mission and Aims and were implemented through the provision of a number of services

Residential Care*Nicholl Grange Care Home*

Residential care for 14 people structured to comprise a 10-bed unit with 4 one-bedroom flats in West Bromwich. The staff team provide care and support 24 hours a day. The home caters both for people who have a long-term need for such a setting, as well as for some who wish to develop their independent living skills prior to moving on. In addition there are four one-bedroom flats attached to this scheme where the residents receive support from the care home staff to facilitate a greater degree of long-term independent living. Without such a service, local people suffering from mental health illness would not be able to gain the support and confidence to live fulfilling and independent lives.

The Gables Care Home

Residential care for individuals in a 14-bed unit in Smethwick. The staff team provide care and support 24 hours a day. The home caters both for people who have a long-term need for such a setting as well as some who wish to develop their independent living skills prior to moving on. Again, services of such a nature are limited within the Sandwell borough meaning that its provision allows the organisation to meet its aims around recovery and inclusion.

Expenditure on Residential Care during the year was £924,775, a increase of £51,481 on the previous year.

Supported Accommodation*Parkside Place*

This replaced The Willows in June 2010 and offers 10 units of accommodation for those not needing residential care, but who benefit from low-level support from visiting staff for up to two years.

Gharana

This is a scheme of 13 one-bed roomed flats in Smethwick providing supported housing for up to 2 years for people who have a mental health problem. This service however, is specifically aimed at the needs of the Asian community to ensure that the needs of some of those who are traditionally excluded can be met. The service also helps to raise awareness about mental health issues in a community within which such illnesses are often stigmatised. Again, this helps the organisation meet its aims of raising awareness.

Supported Flats Scheme

A scheme of 33 one-bed roomed flats dispersed throughout Sandwell providing long- and short term supported housing for people who have mental health problems.

Expenditure on Supported Accommodation during the year was £941,087 a increase of £63,809 on the previous year.

TRUSTEES' REPORT

YEAR ENDED 31 MARCH 2011

Community Services

SORT Scheme

A Floating Support scheme supporting 177 people who have mental health problems to maintain independent living in their own homes

Community Wellbeing

Community Wellbeing's services are available on a self-referral basis, open to anyone living within the Borough of Sandwell wishing to improve their wellbeing and better manage their own mental health

Community Wellbeing services include the following elements

- Wellbeing group therapies — food & mood, yoga, tai chi, relaxation
- Self-help support groups
- Educational & vocational groups
- Social, leisure & physical groups and events
- Individual therapies — aromatherapy massage, reflexology
- Information, advice and signposting
- Ecotherapy groups
- Self-help skills development sessions and courses
- Specific interest groups — community drop-in, spirituality
- Creative and art therapies/groups
- Counselling services

Some groups are limited to specific demographic groups — for example gender specific, particular BME groups, people experiencing specific mental health problems

Expenditure on Community Services (i.e. Community Wellbeing and SORT) during the year was £379,306, an increase of £124,873 on the previous year

IAPT – Talking In Mind

The service is for individuals who are experiencing mild to moderate anxiety or depression and is delivered on a one-to-one basis using Cognitive Behaviour Therapy techniques. The service operates at step 2 of the stepped care model and referrals are via GP's

Awareness Raising and Publicity

Sandwell Mind works across the communities of Sandwell to raise awareness, challenge stigma, contribute to local policy and service development, and ensure that services are equally available and accessible to all members of the community. Expenditure on Awareness Raising and Publicity during the year was £5,463. The organisation worked in partnerships throughout the year to ensure that various campaigns such as 'Time to Change', 'Get Moving' and National Mind week are all promoted.

TRUSTEES' REPORT

YEAR ENDED 31 MARCH 2011

Training

The training service provides an in house training service to all staff relating to the full range of legislative and specialist knowledge relevant to provide competent services of a high standard. Training is also provided externally to a range of organisations regarding mental health and related issues.

Training for users of other services and the general public relating to mental health and the range of self help issues is also provided. Expenditure on Training provided externally during the year was £27,217 a decrease of £31,117 on the previous year.

Sandwell Mind's services are carried out in association with a number of partners. Amongst these are Sandwell MBC, Sandwell PCT, Jephson Housing Association, Sandwell Homes and the Sandwell Mental Health NHS and Social Care Trust.

Achievements and Performance

In addition to those performance issues mentioned above, a number of more general matters are worthy of note:

- Nicholl Grange and The Gables continue to hold a 3 star rating, the highest that can be achieved.
- The development of the Wellbeing Service which has attracted interest nationally from other providers as an example of excellence.
- Agreement with Sandwell PCT for the delivery of an Improving Access to Psychological Therapies project, allowing the Association to recruit one manager, ten trainee practitioners and one data officer. Funding for this project is circa £378,000 per annum.
- The housing services occupancy and service utilisation rates for the year to 31st March 2011 were as follows:

	Year to 31 03 11	Year to 31 03 10
Project	Occupancy	Occupancy
	%	%
Nicholl Grange Care Home	92.9	93.4
The Gables Care Home	100.0	98.9
Supported Accommodation - Supported Housing	98.2	97.9
Average (weighted for no. of units)	97.5	97.2
	Service Utilisation	Service Utilisation
	%	%
Supported Accommodation - Supported Housing Long-Term	99.2	98.2
Supported Accommodation - Supported Housing Short-Term	114.0	93.8
Supported Accommodation - SORT Floating Support	103.2	104.1
Average (weighted for service capacity)	105.5	98.7

TRUSTEES' REPORT**YEAR ENDED 31 MARCH 2011****Financial Review**

The Trustees note that the results show that the Association's total income before gains on investments of £50,403, exceeded its expenditure by £303,732 This compares with a figure of £295,222 in 2009/10 The excess of income over expenditure is primarily due to income generated via surpluses on individual project budgets, the delivery of training services external to the organisation and income from bank interest on funds held by the Association Trustees are pleased to note the increase in the General (unrestricted) fund to £1,874,572 (2009/10 -£1,520,437)

Reserves and Investment

The reserves policy of the Association, developed in line with the recommendations of the Charity Commission, has highlighted the need to increase the level of reserves to equate to budgeted running costs for four months plus staff related contingency costs making the requirement approximately £770,000 At present free reserves stand at £1,814,679 which is general funds after the financing of tangible fixed assets A designated fund of £750,000 has been set aside for property development costs This represents an increase of £400,000 on the previous year due to ongoing discussions with property developers who have identified that a purpose build office is likely to cost the Association circa £1M and whilst efforts will be made to secure additional funding towards the costs it is felt necessary to work towards designating the whole amount in case funding applications fail

In 2010 the Trustees took the view that the Association's reserves should remain readily accessible, so for that year, they were deposited in a bank account yielding interest at the Bank of England Base Rate, but with no notice of withdrawal required Given the poor return being achieved on the deposit accounts, the trustees reconsidered their investment policy and during the year took the decision to appoint investment managers to look after some of the reserves A total of £1 27m has been invested during the period The Charity has devised an investment policy during the year which was to invest in a low risk discretionary fund and this has been implemented by the investment managers

Looking forward to current and future financial years the Trustees are mindful of the fact that funding levels for specific services have been reduced, and that these parallel national reductions

Risk Management

The Trustees have introduced a formal strategic risk management process to assess business risks and implement risk management strategies Operational risk assessment and management addresses the following areas, all of which will be reviewed on an annual basis - Loss of income, Risk of Adverse Publicity, Loss of Key Staff, Loss of Management Committee Members, Lack of Organisational Vision, Breach of Health & Safety, Financial Fraud or Error, Business Interruption/Contingency, and ICT failure A full scale review has been undertaken to ensure that all risks have been identified, are reported at agreed frequencies and that a risk register is adopted to evidence action against highlighted risks

TRUSTEES' REPORT

YEAR ENDED 31 MARCH 2011

Future Operations

Sandwell Mind will continue the process of ongoing service review in order to ensure that quality, relevance and stability of service remain paramount. The charity will review its focus within the communities of Sandwell, addressing the unique potential of the organisation to promote and facilitate social inclusion and community integration, and the essential role of raising the profile and reducing stigma relating to mental health.

Sandwell Mind's training activities will be further developed both internally and externally during the year, building staff skills and raising awareness across the community. We are working towards building our volunteering services and it is aimed that greater and more focussed emphasis is placed on service user involvement to ensure that all practices, from the development of policies and procedures to specific service provision actively takes on the views of those individuals whom the organisation aims to serve. Sandwell Mind also wishes to develop its work in the wider Black Country region where there is currently no Mind provision, specifically Walsall and Wolverhampton and is keen to work collaboratively with partners to share resources, skills and expertise.

Statement Regarding Information Given to the Auditor

Each of the Trustees has confirmed that so far as s/he is aware, there is no relevant audit information of which the company's auditor is unaware, and that s/he has taken all the steps that s/he ought to have taken as a trustee in order to make her/himself aware of any relevant audit information and to establish that the company's auditor is aware of that information.

Basis of Accounting

These accounts have been drawn up in accordance with the Statement of Recommended Practice, "Accounting and Reporting by Charities", issued in November 2005 ("SORP 2005") revised in 2008, and in accordance with Part 15 of the Companies Act 2006 relating to small companies.

This report was approved by the Executive Committee on 22nd September 2011 and signed on its behalf by

N Danks
Chair



STATEMENT OF TRUSTEES' RESPONSIBILITIES**YEAR ENDED 31 MARCH 2011**

The Trustees are responsible for preparing the trustees' annual report and the financial statements in accordance with applicable law and regulations

Company law requires the Trustees to prepare financial statements for each financial year. Under that law the Trustees have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). Under company law the Trustees must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the charity and of the incoming resources and application of resources, including its income and expenditure, of the charity for the year.

In preparing those 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 judgments and accounting estimates that are reasonable and prudent,
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charity will continue in business.

The Trustees are responsible for keeping adequate accounting records that are sufficient to show and explain the charity's transactions and disclose with reasonable accuracy at any time the financial position of the charity and enable them to ensure that the financial statements comply with the requirements of the Companies Act 2006. They are also responsible for safeguarding the assets of the charity and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

We have audited the financial statements of Sandwell MIND for the year ended 31 March 2011 which comprise the statement of financial activities, the income and expenditure account incorporating the statement of total recognised gains and losses, the balance sheet 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 charity's members, as a body, in accordance with Chapter 3 of part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the charity's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charity and the charity's members as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of trustees and auditor

As explained more fully in the statement of trustees' responsibilities, the trustees (who are also directors of the 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 as auditor under the Companies Act 2006 and report in accordance with that Act. 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 charity'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 annual report 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 charity's affairs as at 31 March 2011 and of its 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.

Opinion on other matter prescribed by the Companies Act 2006

In our opinion the information given in the trustees' report 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 requires us to report to you if, in our opinion

- adequate accounting records have not been kept in respect of the charity, or returns adequate for our audit have not been received from branches not visited by us, or
- the financial statements do not accord with the accounting records, or
- certain disclosures of trustee's remuneration specified by law are not made, or
- any information or explanation to which we are entitled has not been afforded to us, or
- the trustees were not entitled to prepare the financial statements in accordance with the small companies regime

PKF (UK) LLP

Howard Voisey (Senior statutory auditor)
for and on behalf of PKF (UK) LLP, Statutory auditor
Birmingham

10 November 2011

STATEMENT OF FINANCIAL ACTIVITIES

YEAR ENDED 31 MARCH 2011

	<u>Notes</u>	<u>Unrestricted Funds</u> £	<u>Restricted Funds</u> £	<u>Total 2011</u> £	<u>Total 2010</u> £
Incoming resources					
Incoming resources from generated funds					
Voluntary income					
Donations		2,227	-	2,227	1,026
Activities for generating funds					
Fundraising		341	-	341	550
Investment income					
Bank interest		5,188	-	5,188	8,055
Dividend income		19,913	-	19,913	-
Incoming resources from charitable activities					
Contract and charges					
Residential care		848,624	-	848,624	887,063
Supported accommodation		1,138,779	-	1,138,779	1,123,236
Day service		489,005	50,332	539,337	319,906
Training		55,254	-	55,254	48,962
Other incoming resources					
Other		1,650	-	1,650	500
Disposal of fixed assets		-	-	-	-
Total incoming resources	2	2,560,981	50,332	2,611,313	2,389,298
Resources expended					
Charitable expenditure					
Residential care	4	924,775	-	924,775	873,294
Supported accommodation	4	941,087	-	941,087	877,278
Day services	4	328,974	50,332	379,306	254,433
Training	4	27,217	-	27,217	58,334
Awareness raising & publicity	4	5,463	-	5,463	6,853
Governance costs	4,5	29,733	-	29,733	23,884
Total resources expended	4	2,257,249	50,332	2,307,581	2,094,076
Net incoming resources		303,732	-	303,732	295,222
Gains on investments		50,403	-	50,403	-
Net movement in funds		354,135	-	354,135	295,222
Fund balances brought forward at 1 April 2010		1,520,437	-	1,520,437	1,225,215
Fund balances carried forward at 31 March 2011	13	1,874,572	-	1,874,572	1,520,437

All amounts relate to continuing operations

**INCOME AND EXPENDITURE ACCOUNT, INCORPORATING THE STATEMENT OF TOTAL
RECOGNISED GAINS AND LOSSES**
YEAR ENDED 31 MARCH 2011

	2011 £	2010 £
Income	2,586,212	2,381,243
Operating expenses	<u>2,307,581</u>	<u>2,092,960</u>
Operating surplus	278,631	288,283
Interest and similar income receivable / investment gains	<u>25,101</u>	<u>8,055</u>
Surplus for the year	303,732	296,338
Gains on investments	<u>50,403</u>	<u>-</u>
Total recognised gains and losses	<u>354,135</u>	<u>296,338</u>

All amounts relate to continuing operations

No provision for taxation is necessary The company is a registered charity and has no taxable income

BALANCE SHEET

YEAR ENDED 31 MARCH 2011

Company number 4660523

	Notes	2011		2010	
		£	£	£	£
Fixed assets					
Tangible assets	7		59,893		60,935
Investments	8		1,320,316		-
Current assets					
Debtors	9	110,447		51,905	
Cash at bank and in hand		639,134		1,659,222	
		749,581		1,711,127	
Creditors: amounts falling due					
Within one year	10	(187,855)		(196,510)	
Net current assets			561,726		1,514,617
Total assets less current liabilities			1,941,935		1,575,552
Provisions for liabilities and charges	11		(67,363)		(55,115)
Net assets	12		1,874,572		1,520,437
Unrestricted funds	13				
Designated funds		750,000		350,000	
General funds		1,124,572		1,170,437	
			1,874,572		1,520,437
Restricted funds	13		-		-
Total funds			1,874,572		1,520,437

These accounts are prepared in accordance with the special provisions of Part 15 of the Companies Act 2006 relating to small companies

The accounts were approved by the Trustees and authorised for issue on 22 September 2011 and signed on their behalf by

N Danks



E Kuczerawy


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]
]

TRUSTEES

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 MARCH 2011

1 Accounting policies

The main accounting policies adopted in the preparation of these accounts are

a) Basis of accounting

These accounts have been drawn up on the historical cost convention as modified by the revaluation of certain assets and in accordance with the Statement of Recommended Practice "Accounting and Reporting by Charities" issued in November 2005 ("SORP 2005" revised 2008) and the Financial Reporting Standard for Smaller Entities (effective April 2008)

b) Fund accounting

General funds are unrestricted funds which are available for use at the discretion of the Trustees in the furtherance of the general objectives of the charity and which have not been designated for other purposes

Restricted funds are funds subject to specific restrictive conditions imposed by donors or by the purpose of the appeal under which they were raised. Any unexpended balance at the balance sheet date is carried forward as a restricted income fund.

Designated funds comprise unrestricted funds that have been set aside by the Trustees for particular purposes that do not contain legally binding restrictions.

c) Incoming resources

Donations, legacies and grant income are on a receipts basis unless the subject of a contractual commitment by the donor when they are accounted for on a receivable basis.

Income from rents and charges is recognised on an accruals basis according to chargeable occupancies.

Income on bank deposits is accounted for on the accruals basis. Income from quoted investments is recognised at the date the dividend is due.

d) Resources expended

Support costs, which include the central office functions such as general management, payroll administration budgeting and accounting, care and support services management, information technology and human resources are allocated across the categories of charitable expenditure, in proportion to total direct spend in each activity.

Where costs cannot be directly attributed to particular headings they have been allocated to activities on a basis consistent with the use of the resources.

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 MARCH 2011

1. Accounting policies (continued)

Charitable activities

Costs of charitable activities comprise all costs identified as wholly or mainly attributable to achieving the charitable objects of the charity, including the costs of disseminating information in support of charitable activities. These costs include staff costs, wholly or mainly attributable support costs and an apportionment of general overheads.

Governance costs

Governance costs comprise all costs identified as wholly or mainly attributable to ensuring public accountability of the charity and its compliance with regulation. These costs include external and trustee costs.

e) **Fixed assets**

Tangible fixed assets are stated at cost less accumulated depreciation.

Depreciation is provided to write off the cost of tangible fixed assets over their estimated useful lives at the following annual rates using the straight-line method.

Furniture, fittings and equipment	20.0%
IT equipment	33.3%
Motor vehicles	25.0%

f) **Gifts in kind**

The value of the work done by volunteers is of significant value to Sandwell Mind and to the people who use its services. The work of volunteers is greatly appreciated, but in accordance with the SORP no monetary value has been placed on their contribution in the financial statements.

g) **Taxation**

No corporation tax has been provided in these accounts because the income of the Charity is within the exemptions granted by Sections 466 to 493 of the Corporation Taxes Act 2010.

h) **Operating lease rentals**

Operating lease rentals are charged to the income and expenditure account on a straight line basis over the lease term.

i) **Investments**

Investments have been included at market value. Gains and losses arising from the disposal of investments are calculated at net sales proceeds less carrying value. Unrealised gains and losses on the revaluation of investments are recognised in the statement of financial activities.

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 MARCH 2011

2. Incoming resources by source

	2011	2010
	£	£
Supporting people	1,006,475	995,987
Rents & charges received	971,341	982,280
Sandwell PCT and Sandwell MBC	473,423	302,101
Sandwell MBC - Voluntary Sector Support	73,784	73,053
Investment income & interest	25,101	8,055
Other income	55,254	26,796
Charitable donations	5,935	1,026
	<u>2,611,313</u>	<u>2,389,298</u>

3 Net incoming/outgoing resources

These are stated after charging

	2011	2010
	£	£
Auditors' remuneration		
Audit	9,000	8,460
Other	3,960	4,875
Depreciation	<u>33,400</u>	<u>40,926</u>

4. Total resources expended

	Staff Costs	Depre- ciation	Other costs	Total 2011	Total 2010
	£	£	£	£	£
Costs of charitable activities					
Residential Care	705,039	4,818	214,918	924,775	873,294
Supported Accommodation	715,180	22,940	202,967	941,087	877,278
Day Services	298,880	3,122	77,304	379,306	254,433
External Training	17,510	2,388	7,319	27,217	58,334
Awareness Raising & Publicity	1,189	54	4,220	5,463	6,853
Governance	5,224	78	24,431	29,733	23,884
	<u>1,743,022</u>	<u>33,400</u>	<u>531,159</u>	<u>2,307,581</u>	<u>2,094,076</u>

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 MARCH 2011

5. Support costs

	Finance/ admin & general manage- ment £	HR £	IT £	Internal training £	Total 2011 £	Total 2010 £
Cost of charitable activities						
Residential Care	89,552	18,535	2,209	35,482	145,778	118,886
Supported Accommodation	89,988	14,615	2,218	35,634	142,455	119,429
Day Services	36,359	7,501	894	14,359	59,113	34,636
External Training	2,381	434	52	831	3,698	7,941
Awareness Raising & Publicity	585	107	13	204	909	934
Governance costs	14,119	-	-	-	14,119	12,594
	232,984	41,192	5,386	86,510	366,072	294,420

Governance costs comprise

	2011 £	2010 £
Apportionment of costs supporting governance activities	14,119	12,594
Professional fees	1,273	-
Trustees costs	469	712
Audit fees	9,000	8,460
Other	4,872	2,118
	<u>29,733</u>	<u>23,884</u>

6. Staff costs

	2011 £	2010 £
Wages and salaries		
Payroll	1,379,979	1,380,387
Employers social security costs	<u>120,608</u>	<u>121,134</u>
	1,500,587	1,501,521
Agency costs	233,478	81,203
Recruitment costs	<u>8,957</u>	<u>-</u>
	<u>1,743,022</u>	<u>1,582,724</u>

No employee earned in excess of £60,000 per annum

The average number of full-time employees, analysed by function is

	2011 Number	2010 Number
Direct charitable services	63	66
Management and administration	<u>9</u>	<u>7</u>
	<u>72</u>	<u>73</u>

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 MARCH 2011

7. Tangible fixed assets

	Furniture and equipment at centres £	Office furniture and equipment £	Total £
Cost			
Beginning of year	248,873	78,170	327,043
Additions	14,016	18,342	32,358
Disposals	(690)	-	(690)
End of year	262,199	96,512	358,711
Depreciation			
Beginning of year	192,646	73,462	266,108
Charge for year	30,302	3,098	33,400
Disposals	(690)	-	(690)
End of year	222,258	76,560	298,818
Net book amount end of year	39,941	19,952	59,893
Net book amount start of year	56,227	4,708	60,935

Included in tangible fixed assets are assets with a net book value of £19,952 (2010 - £4,707) used for management and administration

8. Investments

	2011 £	2010 £
Additions at cost	1,269,913	-
Gain on revaluation	50,403	-
Market value at 31 March 2011	<u>1,320,316</u>	<u>-</u>

Market value at 31 March 2011 comprises

	£
Listed investments - UK	431,383
- Overseas	610,691
Cash held on deposit	278,242
	<u>1,320,316</u>

There are 8 investments that are between 5% and 10% of the total portfolio value

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 MARCH 2011

9 Debtors

	2011 £	2010 £
Rents, charges and housing benefit	7,900	6,935
Prepayments and accrued income	45,781	26,104
Other debtors	56,766	18,866
	<u>110,447</u>	<u>51,905</u>

10. Creditors: amounts falling due within one year

	2011 £	2010 £
Rents, charges and housing benefit	32,225	27,229
Other taxation and social security	39,167	30,049
Accruals	65,121	71,271
Other creditors	51,342	67,961
	<u>187,855</u>	<u>196,510</u>

11. Provisions for liabilities and charges

	2011 £	2010 £
Opening balance	55,115	135,115
(Decrease)/Increase in provision	12,248	(80,000)
Closing balance	<u>67,363</u>	<u>55,115</u>

The provision relates to obligations under contractual liabilities

12. Analysis of net assets between funds

	Unrestricted fund £	Restricted fund £	Total funds £
Fund balances at 31 March 2011			
Are represented by:			
Fixed assets	1,380,209	-	1,380,209
Current assets	749,581	-	749,581
Current liabilities	(187,855)	-	(187,855)
Provisions	(67,363)	-	(67,363)
	<u>1,874,572</u>	<u>-</u>	<u>1,874,572</u>

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 MARCH 2011

13 Statement on movement of funds

	Balance at start of year £	Incoming £	Outgoing £	Transfers/ gains £	Balance at end of year £
Unrestricted funds					
Designated fund	350,000			400,000	750,000
General funds	1,170,437	2,560,981	2,257,249	(349,597)	1,124,572
Total unrestricted fund	1,520,437	2,560,981	2,257,249	50,403	1,874,572
Restricted funds					
Day Services	-	50,332	50,332	-	-
		<u>50,332</u>	<u>50,332</u>	<u>-</u>	<u>-</u>
	<u>1,520,437</u>	<u>2,611,313</u>	<u>2,307,581</u>	<u>50,403</u>	<u>1,874,572</u>

During the year £400,000 was transferred from general funds to designated funds for property development

14 Transactions with Trustees

The Trustees received total expenses of £469 (2010 £712) in the period as reimbursement of the costs of travelling to meetings

The Trustees received no remuneration in the year (2010 £nil)

Insurance to indemnify the Trustees against default on their part is included as part of the overall insurance package purchased by the charity

15. Operating leases

Rentals payable under operating leases are due as follows

	2011		2010	
	Land and buildings £	Office Equipment £	Land and Buildings £	Office Equipment £
Within one year	-	-	-	2,396
Within two to five years	21,500	3,647	13,000	4,348
	<u>21,500</u>	<u>3,647</u>	<u>13,000</u>	<u>6,744</u>

Operating lease rentals of £21,500 were spent in the period in relation to land and buildings and £3,647 in relation to office equipment