

Sandwell Association for Mental Health
(Company Number 4660523
Registered Charity Number: 1096473)
Annual Report
Year ended 31 March 2010

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SANDWELL ASSOCIATION FOR MENTAL HEALTH
ANNUAL REPORT
YEAR ENDED 31 MARCH 2010

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SANDWELL ASSOCIATION FOR MENTAL HEALTH

1

OFFICERS AND ADVISORS

YEAR ENDED 31 MARCH 2010

Registered Office

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

Management Committee and Trustees

Claire Dale	Chair
Edward Kuczerawy	Treasurer
Michael Price	Trustee (resigned – 12 th November 2009)
Caron Thompson	Trustee
Nicole Danks	Trustee
Lisa Done	Trustee – appointed 24 th August 2009
Jagdish Gill	Trustee – appointed 5 th November 2009
Stephen Weaver	Trustee – appointed 5 th November 2009

Bankers

HSBC
120 High Street
Smethwick
West Midlands
B66 3AN

Bank of Scotland
55 Temple Row
Birmingham
B2 5LS

Auditors

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 2010****1. Structure Governance and Management**

Sandwell Association for Mental Health 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, Vice Chair and 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 recently been reviewed and a more structured recruitment and induction process has been introduced. Three new members have joined the management committee, bringing a greater level of skills and experience to strengthen the committee further.

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 devised last year has been updated to ensure that regular review takes place of the Association's investment portfolio which has recently been established.

Following a restructure of the management team in September 2009, a team of 73 staff report to the Chief Executive through a senior management team consisting of the Services Manager — Kevin Whitehouse, the Finance Manager — Navdip Pawar and the Personnel Manager — Lou Tracey.

Sandwell Association for Mental Health is affiliated to Mind (the National Association for Mental Health), and operates under the name Sandwell Mind.

TRUSTEES' REPORT

YEAR ENDED 31 MARCH 2010

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 2010

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 begun and it is felt that in the main, they remain relevant to the Association's purposes. Nevertheless, a review of the governance structure and how it can support the Association's ability to meet these aims is planned for November 2010.

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 SORT service 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 Association'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 2010

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 £873,295, a small decrease of £23,888 on the previous year.

Supported Accommodation

Parkside Place

This replaced The Willows in June 2009 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 £877,278, a decrease of £96,943 on previous year.

TRUSTEES' REPORT

YEAR ENDED 31 MARCH 2010

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 £254,433, an increase of £14,341 on the previous year

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 £6,853. 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 2010

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 £58,334 an increase of £26,178 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:

- A full review of Supporting People funded services (SORT and Supported Housing) has rated services as operating at level A.
- Sandwell Mind continues to hold Investors in People status.
- Nicholl Grange and The Gables continue to hold a 3 star rating, the highest that can be achieved.
- The development of 'People in Mind' – a service user led group who have been established to objectively scrutinise and assess the Association's services. The group also plays a vital role in reviewing and informing policies and strategies.
- The establishment of a formal training programme throughout the year ensuring that all staff, People in Mind members, trustees and volunteers can identify and book training well in advance.
- Agreement with Sandwell PCT for the delivery of an Improving Access to Psychological Therapies project, allowing the Association to recruit one manager, five practitioners and four trainees. Funding for this project is circa £378,000 per annum.
- The housing services occupancy and service utilisation rates for the year to 31st March 2010 were as follows:

	Year to 31 03 10	Year to 31 03 09
Project	Occupancy	Occupancy
	%	%
Nicholl Grange Care Home	93.4	96.1
The Gables Care Home	98.9	100.0
Supported Accommodation - Supported Housing	97.9	96.1
Average (weighted for no. of units)	97.2	96.8
	Service Utilisation	Service Utilisation
	%	%
Supported Accommodation - Supported Housing Long-Term	98.2	98.5
Supported Accommodation - Supported Housing Short-Term	93.8	91.2
Supported Accommodation - SORT Floating Support	104.1	104.3
Average (weighted for service capacity)	98.7	102.4

TRUSTEES' REPORT**YEAR ENDED 31 MARCH 2010****Financial Review**

The Trustees note that the results show that the Association's total income exceeded its expenditure by £295,222. This compares with a figure of £143,237 in 2008/09. 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 £1,520,437 (2008/09 - £1,219,628).

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 £1,115,000. At present free reserves stand at £1,109,502 which is general funds after the financing of fixed assets. A designated fund of £350,000 has been set aside for property development costs. This represents an increase of £200,000 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 £600k 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 2009 the Trustees took the view that the Association's reserves should remain readily accessible, so for the year under review 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 have reconsidered their investment policy and after the year end took the decision to appoint investment managers to look after surplus reserves. The Association will be actively devising an investment policy during the following year.

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 is planned for 2010/2011 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.

STATEMENT OF TRUSTEES' RESPONSIBILITIES

YEAR ENDED 31 MARCH 2010

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 strengthening Governance arrangements by looking at structures, sub committees and levels of delegation. Furthermore, it is aimed that greater and more focussed emphasis is placed on service user involvement through the People in Mind group 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 on Improving Access to Psychological Therapies by continuing to work closely with Sandwell PCT.

Statement regarding information given to auditors

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 auditors are 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 auditors are 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 30th September 2010 and signed on its behalf by

C Dale
Chair

C. Dale 30/9/10

STATEMENT OF TRUSTEES' RESPONSIBILITIES

YEAR ENDED 31 MARCH 2010

The Trustees 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 that give a true and fair view of the state of affairs of the charity and of the incoming resources and application of resources, including the net income or expenditure of the charity for the year. 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 judgments and 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 proper accounting records that 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 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.

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF SANDWELL ASSOCIATION FOR MENTAL HEALTH

We have audited the financial statements of Sandwell Association For Mental Health for the year ended 31 March 2010 which comprise the statement of financial activities, the income and expenditure account, the balance sheet and the related notes. The financial statements have been prepared under the accounting policies set out therein.

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 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 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 auditors

The responsibilities of the trustees (who are also the directors of the company for the purposes of company law) for preparing the trustees' annual report and the financial statements in accordance with applicable law and United Kingdom accounting standards ('United Kingdom Generally Accepted Accounting Practice') and for being satisfied that the financial statements give a true and fair view are set out in the statement of trustees' responsibilities.

Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and International Standards on Auditing (UK and Ireland).

We report to you our opinion as to whether the financial statements give a true and fair view, have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice, and have been prepared in accordance with the Companies Act 2006. We also report to you whether in our opinion the information given in the trustees' annual report is consistent with those financial statements.

In addition we report to you if, in our opinion, the charity has not kept adequate accounting records, if the charity's financial statements are not in agreement with those accounting records, if we have not received all the information and explanations we require for our audit or if certain disclosures of trustees' remuneration specified by law are not made.

We read the trustees' annual report and consider the implications for our report if we become aware of any apparent misstatements within it.

Basis of audit opinion

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

We planned and performed our audit so as to obtain all the information and explanations we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or other irregularity or error. In forming our opinion we also evaluated the overall adequacy of the presentation of information in the financial statements.

Opinion

In our opinion

- the financial statements give a true and fair view of the state of the charity's affairs as at 31 March 2010 and of its incoming resources and application of resources, including its income and expenditure, for the year then ended,
- the financial statements have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice,
- the financial statements have been prepared in accordance with the Companies Act 2006, and
- the information given in the trustees' annual report is consistent with the financial statements

PKF(UK)LLP

Howard Voisey (Senior Statutory Auditor)
For and on behalf of PKF (UK) LLP, Statutory auditors
Birmingham, UK
30 September 2010

STATEMENT OF FINANCIAL ACTIVITIES

YEAR ENDED 31 MARCH 2010

	<u>Notes</u>	<u>Unrestricted Funds</u> £	<u>Restricted Funds</u> £	<u>Total 2010</u> £	<u>Total 2009</u> £
Incoming resources					
Incoming resources from generated funds					
Voluntary income					
Donations		1,026	-	1,026	-
Activities for generating funds					
Fundraising		550	-	550	419
Investment income					
Bank interest		8,055	-	8,055	50,690
Incoming resources from charitable activities					
Contract and charges					
Residential care		887,063	-	887,063	898,560
Supported accommodation		1,123,236	-	1,123,236	1,041,106
Day services		269,574	50,332	319,906	305,172
Training		48,962	-	48,962	40,147
Other incoming resources					
Other		500	-	500	1,241
Disposal of fixed assets		-	-	-	-
Total incoming resources	2	2,338,966	50,332	2,389,298	2,337,335
Resources expended					
Charitable expenditure					
Residential care		873,294	-	873,294	897,182
Supported accommodation		877,278	-	877,278	974,221
Day services		204,101	50,332	254,433	240,092
Training		52,747	5,587	58,334	32,156
Awareness raising & publicity		6,853	-	6,853	11,506
Governance costs	3	23,884	-	23,884	38,941
Total resources expended	4	2,038,157	55,919	2,094,076	2,194,098
Net incoming resources and net movement in funds		300,809	(5,587)	295,222	143,237
Fund balances brought forward at 1 April 2009		1,219,628	5,587	1,225,215	1,081,978
Fund balances carried forward at 31 March 2010		1,520,437	-	1,520,437	1,225,215

All amounts relate to continuing operations

SANDWELL ASSOCIATION FOR MENTAL HEALTH**14****INCOME AND EXPENDITURE ACCOUNT****YEAR ENDED 31 MARCH 2010**

	2010 £	2009 £
Income	2,381,243	2,286,645
Operating expenses	<u>2,092,960</u>	<u>2,192,697</u>
Operating surplus	288,283	93,948
Interest receivable	<u>8,055</u>	<u>50,690</u>
Surplus for the year	<u>296,338</u>	<u>144,638</u>

All amounts relate to continuing operations. The company has no recognised gains or losses other than the surplus for the year.

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

BALANCE SHEET

Company no 4660523

YEAR ENDED 31 MARCH 2010

	Notes	2010		2009	
		£	£	£	£
Fixed assets					
Tangible assets	7		60,935		49,741
Current assets					
Debtors	8	51,905		46,616	
Cash at bank and in hand		<u>1,659,222</u>		<u>1,478,962</u>	
		1,711,127		1,525,578	
Creditors amounts falling due					
Within one year	9	<u>(196,510)</u>		<u>(214,989)</u>	
Net current assets			<u>1,514,617</u>		<u>1,310,589</u>
Total assets less current liabilities			1,575,552		1,360,330
Provisions for liabilities and charges	10		(55,115)		(135,115)
Net assets	11		<u>1,520,437</u>		<u>1,225,215</u>
Unrestricted funds	12				
Designated funds		350,000		150,000	
General funds		<u>1,170,437</u>		<u>1,069,628</u>	
		1,520,437		1,219,628	
Restricted funds	12		-		5,587
Total funds			<u>1,520,437</u>		<u>1,225,215</u>

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 30th September 2010 and signed on their behalf by

C Dale

C. Dale

E Kuczerawy

E. Kuczerawy

TRUSTEES

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 MARCH 2010

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.

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 2010

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%
I T 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 exemption granted by Section 505 of the Income and Corporation Taxes Act 1988.

h) **Operating lease rentals**

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

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 MARCH 2010

2. Incoming resources by source

	2010	2009
	£	£
Supporting people	995,987	927,766
Rents & charges received	982,280	942,499
Sandwell PCT and Sandwell MBC	302,101	305,945
Sandwell MBC - Voluntary Sector Support	73,053	71,621
Sandwell MBC - Greets Green Partnership	-	2,794
Investment income & interest	8,055	50,690
Other income	26,796	36,020
Charitable donations	1,026	-
	<u>2,389,298</u>	<u>2,337,335</u>

3. Governance costs

	2010	2009
	£	£
Apportionment of costs supporting governance activities	12,594	24,204
Professional fees	-	805
Trustees costs	712	363
Audit Fees	8,460	10,531
Other	2,118	3,038
	<u>23,884</u>	<u>38,941</u>

Net incoming/outgoing resources

These are stated after charging

	2010	2009
	£	£
Auditors' remuneration		
Audit	8,460	8,731
Other	4,875	1,035
Depreciation	<u>40,926</u>	<u>29,894</u>

4. Total resources expended

	Staff Costs	Depreciation	Other costs	Total 2010	Total 2009
	£	£	£	£	£
Costs of charitable activities					
Residential Care	649,619	4,044	219,631	873,294	897,182
Supported Accommodation	678,686	33,387	165,205	877,278	974,221
Day Services	192,210	3,034	59,189	254,433	240,092
External Training	55,796	329	2,209	58,334	32,156
Awareness Raising & Publicity	1,189	54	5,610	6,853	11,506
Governance	5,224	78	18,582	23,884	38,941
	<u>1,582,724</u>	<u>40,926</u>	<u>470,426</u>	<u>2,094,076</u>	<u>2,194,098</u>

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 MARCH 2010

5 Support costs

	Finance/ admin & general manage- ment £	HR £	IT £	Internal training £	Total 2010 £	Total 2009 £
Cost of charitable activities						
Residential Care	76,545	13,958	1,663	26,720	118,886	151,114
Supported Accommodation	76,894	14,022	1,671	26,842	119,429	174,960
Day Services	22,301	4,066	485	7,784	34,636	54,310
External Training	5,113	932	111	1,785	7,941	3,014
Awareness Raising & Publicity	601	110	13	210	934	9,255
Governance costs	23,884	-	-	-	23,884	38,941
	205,338	33,088	3,943	63,341	305,710	431,594

6 Staff costs

	2010		2009	
	£	£	£	£
Wages and salaries				
Payroll	1,380,387		1,421,769	
Employers social security costs	121,134		129,419	
		1,501,521		1,551,188
Agency costs		81,203		36,872
Recruitment costs		-		7,357
		1,582,724		1,595,417
No employee earned in excess of £60,000 per annum				

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

	2010 Number	2009 Number
Direct charitable services	66	66
Management and administration	7	7
	73	73

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 MARCH 2010

7. Tangible fixed assets

	Furniture and equipment at centres	Office furniture and equipment	Total
	£	£	£
Cost			
Beginning of year	205,203	69,720	274,923
Additions	43,670	8,450	52,120
Disposals			
End of year	248,873	78,170	327,043
Depreciation			
Beginning of year	158,990	66,192	225,182
Charge for year	33,656	7,270	40,926
Disposals			
End of year	192,646	73,462	266,108
Net book amount end of year	56,227	4,708	60,935
Net book amount start of year	46,213	3,528	49,741

Included in tangible fixed assets are assets with a net book value of £4,707 (2009 - £3,528) used for management and administration

8 Debtors

	2010 £	2009 £
Rents, charges and housing benefit	6,935	12,183
Prepayments	26,104	29,491
Other debtors	18,866	4,942
	<u>51,905</u>	<u>46,616</u>

9 Creditors amounts falling due within one year

	2010 £	2009 £
Rents, charges and housing benefit	27,229	53,314
Other taxation and social security	30,049	36,250
Accruals	71,271	74,051
Other creditors	67,961	51,374
	<u>196,510</u>	<u>214,989</u>

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 MARCH 2010

10 Provisions for liabilities and charges

	2010	2009
	£	£
Opening balance	135,115	55,115
(Decrease)/Increase in provision	(80,000)	80,000
Closing balance	<u>55,115</u>	<u>135,115</u>

There have been no movements on the provision set up for contractual liabilities. The provision made in 2009 in respect of potential legal costs was released back to the income and expenditure account because in the view of the trustees, the likelihood of incurring these costs became remote.

11 Analysis of net assets between funds

	Unrestricted fund £	Restricted fund £	Total funds £
Fund balances at 31 March 2010			
Are represented by			
Tangible fixed assets	60,935	-	60,935
Current assets	1,711,127	-	1,711,127
Current liabilities	(196,510)	-	(196,510)
Provisions	(55,115)	-	(55,115)
	<u>1,520,437</u>	-	<u>1,520,437</u>

12. Statement on movement of funds

	Balance at start of year £	Incoming £	Outgoing £	Transfers £	Balance at end of year £
Unrestricted funds					
Designated fund	150,000			200,000	350,000
General funds	1,069,628	2,338,966	2,038,157	(200,000)	1,170,437
Total unrestricted fund	<u>1,219,628</u>	<u>2,338,966</u>	<u>2,038,157</u>	<u>-</u>	<u>1,520,437</u>
Restricted funds					
Day Services	-	50,332	50,332	-	-
SCVO	5,000	-	5,000	-	-
Global Grants	188	-	188	-	-
Greets Green Partnership	159	-	159	-	-
Other	240	-	240	-	-
Passage to India	-	-	-	-	-
	<u>5,587</u>	<u>50,332</u>	<u>55,919</u>	<u>-</u>	<u>-</u>
	<u>1,225,215</u>	<u>2,389,298</u>	<u>2,094,076</u>	<u>-</u>	<u>1,520,437</u>

During the year £200,000 was transferred to a designated fund for property development

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 MARCH 2010

12. Statement on movement of funds (continued)

Sandwell Council of Voluntary Organisations (SCVO) - To assist in training within the community

Global Grants - To develop training for people with mental health problems

Greets Green Partnership - To work with the Greets Green Healthy Minds Project

Passage to India - To develop and pilot a befriending service

Other Funds - The other funds include fundraising and contributions towards specific activities

13 Transactions with Trustees

The Trustees received total expenses of £712 (2009 £363) in the period as reimbursement of the costs of travelling to meetings

The Trustees received no remuneration in the year (2009 £nil)

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

14 Operating leases

Rentals payable under operating leases are due as follows

	2010		2009	
	Land and buildings £	Office Equipment £	Land and Buildings £	Office Equipment £
Within one year	-	2,396	5,102	2,396
Within two to five years	13,000	4,348	-	6,744
	<u>13,000</u>	<u>6,744</u>	<u>5,102</u>	<u>9,140</u>

Operating lease rentals of £13,000 were spent in the period in relation to land and buildings and £3,401 in relation to office equipment

15. Post balance sheet events

Since the year end the Association has invested £1,000,000 into a managed fund with the investment company Quilter to gain a better return than that of Bank of England interest. The investment will be run in line with instructions received from the trustees.