

**Report of the Trustees and
Unaudited Financial Statements For The Year Ended 31 March 2008
for
Skye & Lochalsh
Mental Health Association**

Campbell Stewart MacLennan & Co
Chartered Accountants
8 Wentworth Street
Portree
Highland
IV51 9EJ

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**Skye & Lochalsh
Mental Health Association**

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for the Year Ended 31 March 2008**

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**Skye & Lochalsh
Mental Health Association**

**Report of the Chairperson
for the Year Ended 31 March 2008**

Purpose

The SLMHA has been running for 15 years now. It provides support and services in a safe, friendly and caring environment for people in our community who are affected in any way by mental ill health and associated social problems including homelessness. The range of services have gradually increased over the years. What started as support, advice, help with form filling and so forth now also includes more activities for members such as arts and crafts classes, computer tuition, movie nights, day trips and member discussion groups. The Association has become a key player in local mental health services providing two drop-in centres at Portree and Kyleakin. Training is provided on 'Understanding Mental Health' to local partner agencies e.g. the CAB, Housing Association and medical centre staff. This aims to promote positive attitudes and understanding towards our members and others with mental health difficulties when they have to access these services. Regular lobbying for funding and recognition of the crucial work and support given to many who would otherwise have nowhere else to go is a fundamental role of the Association. Am Fasgadh now receives an average of 25 visitors each day with record levels attending for Christmas dinner this year!

Members

The members are always at the heart of our work and we are very pleased that 'One Voice' has been formed by members in the last year to feed back their views, comments and requests in how they would like to see the Association developed. A major achievement this year being the provision of 7 days a week opening that so many members wanted. Encouragement of active inclusion of the members to Board meetings has continued and it has been very good to have different members from One Voice contributing regularly over the last year.

Staff

The Board would like to record our continued gratitude to the staff of the SLMHA and the hard work and dedication they tirelessly show, often in additional unpaid extra hours responding to members' needs in crises. Particular thanks and great appreciation is extended to all the staff and volunteers who, due to their flexibility in working patterns and their personal commitment, have made the 7 day opening possible this year. Indeed, the commitment of the staff can not be underestimated. This was highlighted last year when they gave up their entitlement to be linked to an external pay scale to allow the Association to continue to provide optimum service. It is with relief to know that this year they will get a pay rise in line with increased funding from the Health Board.

Many thanks to Joy for revolutionising the cooking at Am Fasgadh to the gastronomical delight of all, (including all of us tonight for her magnificent spread)

Thanks also to our associated colleagues for their support and continued valued advice – Lochalsh and Skye Housing Association, CPN team, Mental Health Officer, Consultant Psychiatrist, local GPs, social workers and the local Police officers.

Finances

We are grateful to our major funders Highland Council Social Work dept and Highland Health Board for their essential financial input. The balance sheet and details contained within it are noted. Special thanks must go to Alex, our manager, for his ceaseless energy to fund raise and his outstanding ability and creativity in managing the funds despite all the constraints and frustrations of financial insecurity that the Association has endured for some years. It is with great commendation that he has recently secured the next three years of specific funding for Sandra's post.

Security has also been achieved for the tenure of Am Fasgadh premises until at least 2018 due to successful negotiations with our landlord.

The Future

As an Association and on behalf of the Board of Directors, we were extremely sad when Dr Charles Crichton retired from his position as Chairman of the Board in November 2007. His work and longstanding contribution since SLMHA was formed was much appreciated. Following this, it was decided that there was a need for the Directors to review the roles and structure of the Board. The new Chair and other office bearers (vice chair and treasurer) will serve in those positions for three years, in line with other standard Company procedures. The Manager will formally become company secretary.

As your newly nominated Chair, I think Dr Crichton will be a hard act to follow and I am very grateful for the guidance and advice of the other Directors, the support shown to me by individual members, and the forbearance of the Management. We, as a Board and I, will endeavour to continue to uphold the high standards of the Associations' work and continue to promote positive attitudes to mental health and the provision of this 'safe place' for our members.

Dr Rebecca Aleeson
22nd July 2008

**Skye & Lochalsh
Mental Health Association**

**Report of the Trustees
for the Year Ended 31 March 2008**

The trustees who are also directors of the charity for the purposes of the Companies Act 1985, present their report with the financial statements of the charity for the year ended 31 March 2008. The trustees have adopted the provisions of the Statement of Recommended Practice (SORP) 'Accounting and Reporting by Charities' issued in March 2005.

REFERENCE AND ADMINISTRATIVE DETAILS

Registered Company number
SC185967 (Scotland)

Registered Charity number
SC021154

Registered office

Am Fasgadh
6 Wood Park
Dunvegan Road
Portree
Isle of Skye
IV51 9HQ

Trustees

Dr C Crichton	resigned 20 11 07
C MacKinnon	
Mrs M Robertson	
L MacDonald	
D Beaton	
Miss H MacInnes	resigned 23 6 07
Miss D MacKenzie	
D A Robertson	
Dr L Unwin	
Mrs S Farr	
Dr R Aleeson	
Ms M L Puolakka	
Dr S Potts	appointed 15 1 08

Company Secretary
Mrs M Robertson

Bankers

Clydesdale Bank plc
Somerled Square
Portree
Isle of Skye
IV51 9EH

Solicitors

Ferguson MacSween & Stewart
Bridge Road
Portree
Isle of Skye
IV51 9ER

STRUCTURE, GOVERNANCE AND MANAGEMENT

Governing document

Skye and Lochalsh Mental Health Association was incorporated on 20 May 1998 under section 30 of the Companies Act 1985 as a company limited by the guarantee of its members, and it is registered as a Scottish charity. Upon incorporation the company acquired the entire assets and liabilities of Skye & Lochalsh Mental Health Centre Management Project, an unincorporated body. *In the event of the company being wound up, each member may be required to contribute up to £1.* The company is governed by its Memorandum of Association which sets out the objects and powers of the charity and it is governed by its Articles of Association.

**Skye & Lochalsh
Mental Health Association**

**Report of the Trustees
for the Year Ended 31 March 2008**

STRUCTURE, GOVERNANCE AND MANAGEMENT

Recruitment and appointment of new trustees

Board members can be appointed in one of two ways. Firstly, they can be appointed by the members of the company in general meeting, all members are entitled to one vote. Secondly, they can be invited by the existing Board to serve in an interim capacity until their appointment is approved by the membership at the next general meeting.

Induction and training of new trustees

All new trustees are offered an extended meeting with the Manager, who will talk them through the activities, structure and finances of the organisation following an induction checklist designed for this purpose. Professionally published material on the role of voluntary sector trustees is also made available.

Organisational structure

The operation of the service to our members is delegated to the Manager, Alex Jones, and the day to day delivery of the service at Am Fasgadh is delegated by him to the Assistant Manager, Sandra MacKenzie. This is done within the context of policies and procedures which are ratified by the trustees. These policies set out a minimum standard of good practice and the values and objectives that are intended to inform the staff response to whatever situations arise.

The trustees are responsible for

- Approving operational policies and procedures
- Approving and reviewing the organisation's aims and objectives
- Setting reserves policy
- Approving an operational budget for each financial year
- Setting pay and conditions of employment for all staff
- Providing an annual appraisal of the Manager's performance
- Reviewing all aspects of the organisation's performance through the Manager's regular reports and instructing changes where necessary

Related parties

No transactions with related parties arose during the year (2007 £nil)

Risk management

The trustees recognise their duty to identify and review the risks to which the charity is exposed and to ensure that appropriate controls are in place to provide reasonable assurance against fraud and error. The trustees actively review, on a regular basis, the major risks that the company faces and have internal control policies and procedures in place which provide reasonable, but not absolute, assurance against material misstatement or loss.

OBJECTIVES AND ACTIVITIES

Objectives and aims

Objects

The object of the company in the year under review was that of the development and promotion of mental health. In furtherance of this objective, the company promotes the understanding of the distress caused by social isolation, psychological and emotional problems and seeks to spread knowledge of the facilities and services available within the community for those affected by such problems.

Objectives set for 2008/09 are as follows

- Secure continuing funding for the Assistant Manager's post
- Secure a Service Level Agreement
- Gain Investors in People status
- Offer better information about the benefits system and about support members might be entitled to
- Work with other groups to investigate finding a better venue for the Kyleakin drop in

**Skye & Lochalsh
Mental Health Association**

**Report of the Trustees
for the Year Ended 31 March 2008**

ACHIEVEMENT AND PERFORMANCE

Main achievements

Our main achievement has been opening Am Fasgadh seven days per week for the first time. This is particularly helpful because so few other services in the area are available on Sundays, making it a very difficult day for many people.

Our landlord has agreed in principle to a five year extension on the lease, giving us the option to remain at Am Fasgadh until at least 2018. This gives us a welcome degree of extra security.

This year we have a healthier set of accounts and a reserve which will give us more security and stability in the year ahead. This has been achieved through careful control of our various costs.

Evaluation of performance against objectives

Target	Progress
1 Secure funding to provide Sunday opening and longer term security for the Assistant Manager's post	Sunday opening began in May 2007 at no additional cost because of changes to opening hours. Applications to charitable trusts to fund the Assistant Manager's post from September 2008 were in progress at the end of the year.
2 Allow the Community Mental Health Team to purchase an Outreach service for its clients at home or in the community	The CMHT asked us for costs for an Outreach service. Unfortunately we were unable to viably provide this within the very small budget available.
3 In partnership with housing providers, give additional support to 20 people who are homeless or at risk of homelessness	30 people were supported.
4 Provide SVQ level 3 Advice and Guidance to 4 members of staff	5 members of staff are currently enrolled and due to complete the qualification in the summer of 2008.
5 Deliver 2 sessions of our training course "Understanding Mental Health" to staff in partner agencies	Training delivered to Lochalsh and Skye Housing Association in June 2007. The first of 2 sessions were delivered to Portree Medical Centre in February 2008. The second session has still to be confirmed. The Citizens Advice Bureau have also expressed an interest.
6 Install new computer facilities for members use at both drop in centres	Three laptops were provided in Am Fasgadh in May 2007. We couldn't find a way of setting up a working internet connection at Kyleakin Hall however.
7 Support re-establishment of an effective Members' Group	One Voice group has been meeting throughout the year.

Contribution of Volunteers

We have continued to have a shortage of good quality, reliable volunteers. At the end of the year under review we are using an average of 13 hours of volunteering a week, mainly at our Kyleakin drop in. In addition to this, we are grateful to those members who regularly help out with kitchen tasks and cleaning.

Further information concerning activities in the year and future plans is set out in the Chairman's Report on page one.

Investment performance

Our only investment is a bank deposit account, but higher interest rates in the past year have made this a beneficial source of extra income.

Internal and external factors

Our core funding continues to rise below the rate of inflation. We appreciate our employees' understanding of the limitations this places on the annual salary rises we can offer. The lack of a service level agreement makes detailed financial planning difficult.

FINANCIAL REVIEW

Reserves policy

The company aims to retain unrestricted funds, or have secured funding committed to it, sufficient to finance operations for at least a period of six months. As indicated in the balance sheet at 31 March 2008, unrestricted undesignated reserves stood at £28,219 (2007 £8,751 as restated, previously £18,751). The trustees acknowledge that reserves are lower than would be desirable but, taking into account the grant assistance which has been secured for the forthcoming year, consider this to be adequate to fund continuing operations for the foreseeable future. The increase in funds has been achieved through careful management of resources.

**Skye & Lochalsh
Mental Health Association**

**Report of the Trustees
for the Year Ended 31 March 2008**

FINANCIAL REVIEW

Funds in deficit

As set out in note 13 to the accounts, future funds are anticipated from the Scottish Community Action Research Fund ("SCARF") and the excess expenditure over income has been carried forward to offset against this income

Principal funding sources

The majority of our income is from the Mental Health Specific Grant and mainstream voluntary organisation funding from the Highland Council Social Work Services and NHS Highland. Due to a deficiency in core funding we are also required to seek charitable grants to fund some of our activities

Investment policy and objectives

The Memorandum and Articles of Association place no restrictions upon the investment powers of the directors. All funds not likely to be required in the next month are placed in a 30 day deposit account at the company's usual bankers

FUTURE DEVELOPMENTS

This is a time of uncertainty for all voluntary organisations as we wait to see the long term effects of financial challenges at Highland Council and NHS Highland. We very much hope that they will be able to give us greater security by entering into a service level agreement. For our service to continue at anything like its current level it is imperative that we secure funding to retain the Assistant Manager's post

On a positive note, we have established a sustainable seven day service and, after several difficult years, returned the organisation's financial reserve to its 2002 level. We trust this gives us a strong position from which to develop over the next few years

ON BEHALF OF THE BOARD



Mrs M Robertson Trustee

Date 22 July 2008

**Report of the Accountants to the Trustees of
Skye & Lochalsh
Mental Health Association**

We report on the financial statements for the year ended 31 March 2008 set out on pages six to fourteen

Respective responsibilities of trustees and reporting accountants

As described on pages seven to eight the charitable company's trustees are responsible for the preparation of the financial statements, and considers that the charitable company is exempt from an audit. It is our responsibility to carry out procedures designed to enable us to report our opinion.

Basis of opinion

Our work was conducted in accordance with the Statement of Standards for Reporting Accountants, and so our procedures consisted of comparing the financial statements with the accounting records kept by the charitable company, and making such limited enquires of the officers of the charitable company as we considered necessary for the purposes of this report. These procedures provide only the assurance expressed in our opinion.

Opinion

In our opinion:

- (a) the financial statements are in agreement with the accounting records kept by the charitable company under Section 221 of the Companies Act 1985,
- (b) having regard only to, and on the basis of, the information contained in those accounting records:
 - (i) the financial statements have been drawn up in a manner consistent with the accounting requirements specified in Section 249C(6) of the Act, and
 - (ii) the charitable company satisfied the conditions for exemption from an audit of the financial statements for the year specified in Section 249A(4) of the Act and did not, at any time within that year, fall within any of the categories of companies not entitled to the exemption specified in Section 249B(1).

CSM ⁶

Campbell Stewart MacLennan & Co
Chartered Accountants
8 Wentworth Street
Portree
Highland
IV51 9EJ

Date 22 July 2008

**Skye & Lochalsh
Mental Health Association**

**Statement of Financial Activities
for the Year Ended 31 March 2008**

		Unrestricted funds	Restricted funds	Endowment funds	31 3 08 Total funds	31 3 07 Total funds as restated £
	Notes	£	£	£	£	
INCOMING RESOURCES						
Incoming resources from generated funds						
Voluntary income	2	146,157	27,399		173,556	189,985
Investment income	3	1,984			1,984	920
Incoming resources from charitable activities						
Cafe		10,177			10,177	6,145
Homelessness advice, assistance and support		<u>20,000</u>	<u> </u>	<u> </u>	<u>20,000</u>	<u> </u>
Total incoming resources		178,318	27,399		205,717	197,050
RESOURCES EXPENDED						
Charitable activities						
Operation of Centre	4	153,071	30,994		184,065	179,394
Cafe		11,978			11,978	9,208
Governance costs		<u>1,821</u>	<u> </u>	<u> </u>	<u>1,821</u>	<u>1,704</u>
Total resources expended		166,870	30,994		197,864	190,306
NET INCOMING/(OUTGOING)						
RESOURCES before transfers		11,448	(3,595)		7,853	6,744
Gross transfers between funds	13	<u>(6,001)</u>	<u>6,001</u>	<u> </u>	<u> </u>	<u> </u>
Net incoming/(outgoing) resources		5,447	2,406		7,853	6,744
RECONCILIATION OF FUNDS						
As previously reported		18,751	1,127	38,479	58,357	51,613
Prior year adjustment	8	<u>38,479</u>	<u> </u>	<u>(38,479)</u>	<u> </u>	<u> </u>
As Restated		57,230	1,127		58,357	51,613
TOTAL FUNDS CARRIED FORWARD						
		<u>62,677</u>	<u>3,533</u>	<u> </u>	<u>66,210</u>	<u>58,357</u>

The notes form part of these financial statements

**Skye & Lochalsh
Mental Health Association**

**Balance Sheet
At 31 March 2008**

		Unrestricted funds	Restricted funds	31 3 08 Total funds £	31 3 07 Total funds as restated £
	Notes	£	£		
FIXED ASSETS					
Tangible assets	9	39,486		39,486	43,266
CURRENT ASSETS					
Stocks		370		370	541
Debtors	10	4,144		4,144	4,181
Cash at bank and in hand		<u>22,308</u>	<u>12,238</u>	<u>34,546</u>	<u>22,644</u>
		26,822	12,238	39,060	27,366
CREDITORS					
Amounts falling due within one year	11	(3,631)	(8,705)	(12,336)	(12,275)
NET CURRENT ASSETS		<u>23,191</u>	<u>3,533</u>	<u>26,724</u>	<u>15,091</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		62,677	3,533	66,210	58,357
NET ASSETS		<u>62,677</u>	<u>3,533</u>	<u>66,210</u>	<u>58,357</u>
FUNDS	13				
Unrestricted funds					
General fund				28,981	8,751
Designated funds HIE Skye and Wester Ross				13,362	17,314
Designated funds Highland Council MISG				16,335	21,165
Designated fund Assistant manager				<u>3,999</u>	<u>10,000</u>
				62,677	57,230
Restricted funds				<u>3,533</u>	<u>1,127</u>
TOTAL FUNDS				<u>66,210</u>	<u>58,357</u>

The notes form part of these financial statements

**Skye & Lochalsh
Mental Health Association**

**Balance Sheet continued
At 31 March 2008**

The charitable company is entitled to exemption from audit under Section 249A(2) of the Companies Act 1985 for the year ended 31 March 2008

The trustees have not required the charitable company to obtain an audit of its financial statements for the year ended 31 March 2008 in accordance with Section 249B(2) of the Companies Act 1985

The trustees acknowledge their responsibilities for

- (a) ensuring that the charitable company keeps accounting records that comply with Section 221 of the Companies Act 1985 and
- (b) preparing financial statements which give a true and fair view of the state of affairs of the charitable company as at the end of each financial year and of its surplus or deficit for each financial year in accordance with the requirements of Section 226 and which otherwise comply with the requirements of the Companies Act 1985 relating to financial statements, so far as applicable to the charitable company

These financial statements have been prepared in accordance with the special provisions of Part VII of the Companies Act 1985 relating to small charitable companies and with the Financial Reporting Standard for Smaller Entities (effective January 2007)

The financial statements were approved by the Board of Trustees on 22 July 2008 and were signed on its behalf by



Dr R Aleeson Trustee



L MacDonald Trustee

**Skye & Lochalsh
Mental Health Association**

**Notes to the Financial Statements
for the Year Ended 31 March 2008**

1 ACCOUNTING POLICIES

Accounting convention

The financial statements have been prepared under the historical cost convention, and in accordance with the Financial Reporting Standards for Smaller Entities (effective January 2007), the Companies Act 1985 and the requirements of the Statement of Recommended Practice, Accounting and Reporting by Charities

Incoming resources

All incoming resources are included on the Statement of Financial Activities when the charity is legally entitled to the income and the amount can be quantified with reasonable accuracy

Core funding grants, and grants not provided for a specific purpose, are accounted for within voluntary income. Grants for specific purposes, or with similar terms to a Service Level Agreement, are included within incoming resources from charitable activities. Grants are deferred where donor imposed pre-conditions exist regarding the timing of the expenditure.

Donated fixed assets are recorded at the estimated value on the date of receipt. Assets donated for distribution to members are not included in the financial statements. Any donations received for these goods are accounted for within voluntary income upon receipt.

Income generated from the operation of a cafe within the centre is accounted for within incoming resources from charitable activities. This represents a change in accounting policy and further details are set out in note 8 to the financial statements.

Resources expended

Expenditure is accounted for on an accruals basis and has been classified under headings that aggregate all cost related to the category. Where costs cannot be directly attributed to particular headings they have been allocated to activities on a basis consistent with the use of resources.

Charitable activities include all costs, both direct and indirect, involved in the provision of the drop-in centres and in providing other services to members. Cafe expenditure includes only the direct cost of sales, all overheads are absorbed by the centre.

Goods bought on behalf of, and recharged to, members are not included in the financial statements. This includes the element of handling charges arising on goods acquired for use within the centre or distribution to members.

Governance costs include those costs associated with meeting the constitutional and statutory requirements of the company and include accountancy fees and costs relating to the strategic management of the company.

Tangible fixed assets

Depreciation is provided at the following annual rates in order to write off each asset over its estimated useful life

Land and buildings	over the term of the lease
Plant and machinery etc	25% on reducing balance and 15% on reducing balance

Stocks

Stocks are valued at the lower of cost and net realisable value, after making due allowance for obsolete and slow moving items.

Taxation

The charity is exempt from corporation tax on its charitable activities.

Fund accounting

Unrestricted funds can be used in accordance with the charitable objectives at the discretion of the trustees. Designated funds are those unrestricted funds which the trustees have ring fenced for a particular purpose and fixed assets purchased with restricted funding where donors terms have been met and there is no restriction concerning the use of those assets, outwith the normal charitable purposes.

Restricted funds can only be used for particular restricted purposes within the objects of the charity. Restrictions arise when specified by the donor or when funds are raised for particular restricted purposes.

Further explanation of the nature and purpose of each fund is included in the notes to the financial statements.

**Skye & Lochalsh
Mental Health Association**

**Notes to the Financial Statements continued
for the Year Ended 31 March 2008**

1 ACCOUNTING POLICIES continued

Leasing commitments

Rentals paid under operating leases are charged to the Statement of Financial Activities on a straight line basis over the period of the lease. Lease obligations are disclosed in the notes to the accounts.

Pension costs and other post-retirement benefits

The charitable company operates a defined contribution pension scheme. Contributions payable to the charitable company's pension scheme are charged to the Statement of Financial Activities in the period to which they relate.

2 VOLUNTARY INCOME

	31 3 08	31 3 07 as restated
	£	£
Gifts	2,000	
Donations and sponsorships	4,621	16,994
Core Funding Grants	143,195	140,388
Other Grants	<u>23,740</u>	<u>32,603</u>
	<u>173,556</u>	<u>189,985</u>

Grants were received from

	31 03 08	31 03 07
	£	£
Highland Council MISG	104,170	102,128
Highland Council Social Work	20,062	19,721
NHS Highland Trust	21,618	21,194
Lloyds TSB Foundation	8,252	4,731
HIE Skye & Wester Ross		161
Esmee Fairbairn Foundation		4,167
Scottish Community Foundation		5,000
NHS Highland Health Improvements		800
Lochalsh & Skye Housing Association		255
The AB Charitable Trust	5,000	5,000
The Robertson Trust	6,833	8,834
The Inchyre Trust	<u>1,000</u>	<u>1,000</u>
	<u>166,935</u>	<u>172,991</u>

The above includes grants received in the previous year and deferred, and excludes grants deferred in the current year.

3 INVESTMENT INCOME

	31 3 08	31 3 07 as restated
	£	£
Deposit account interest	<u>1,984</u>	<u>920</u>

**Skye & Lochalsh
Mental Health Association**

**Notes to the Financial Statements continued
for the Year Ended 31 March 2008**

4 CHARITABLE ACTIVITIES COSTS

	Direct costs	Totals
	£	£
Operation of Centre	184,065	184,065
Cafe	<u>11,978</u>	<u>11,978</u>
	<u>196,043</u>	<u>196,043</u>

A grant of £20,000 was received in the year towards the provision of advice, assistance and support to those who are either homeless or threatened with homelessness, due to mental health issues, in Skye and Lochalsh. As stated in the accounting policies, the centre absorbs all overheads. The costs incurred in the provision of this service were mainly those incurred in carrying out the usual activities, costs have therefore not been apportioned. All terms and conditions of the grant were met by 31 March 2008.

5 NET INCOMING/(OUTGOING) RESOURCES

Net resources are stated after charging/(crediting)

	31 3 08	31 3 07 as restated
	£	£
Depreciation owned assets	8,795	7,971
Other operating leases	19,388	20,580
Deficit on disposal of fixed asset	<u>2,539</u>	<u> </u>

6. TRUSTEES' REMUNERATION AND BENEFITS

There were no trustees' remuneration or other benefits for the year ended 31 March 2008 nor for the year ended 31 March 2007.

Trustees' Expenses

There were no trustees' expenses paid for the year ended 31 March 2008 nor for the year ended 31 March 2007.

7 STAFF COSTS

	31 3 08	31 3 07 as restated
	£	£
Wages and salaries	115,192	112,088
Social security costs	9,208	9,101
Other pension costs	<u>4,935</u>	<u>5,923</u>
	<u>129,335</u>	<u>127,112</u>

The average monthly number of employees during the year was as follows

	31 3 08	31 3 07
Manager	1	1
Assistant manager	1	1
Part time staff	<u>6</u>	<u>6</u>
	<u>8</u>	<u>8</u>

No member of staff received remuneration in excess of £60,000

**Skye & Lochalsh
Mental Health Association**

**Notes to the Financial Statements continued
for the Year Ended 31 March 2008**

8 PRIOR YEAR ADJUSTMENT

Funds received for the purchase of fixed assets, which have been fully expended in accordance with the terms of the donors, have been reclassified from endowment funds to unrestricted designated funds

An anonymous donation of £10,000, received in the year to 31 March 2007, was ring fenced by the trustees towards the cost of employing the assistant manager. This has now been separately identified within unrestricted funds

The kitchen / cafe facility draws members into the centre, who might otherwise not have come in, and from there they have access to the other services on offer. The related income, previously accounted for as incoming resources from generating funds, is considered to more appropriately classified as income from charitable activities. This change has been reflected in the financial statements for the year ended 31 March 2008 and the prior year comparatives have been adjusted accordingly

9 TANGIBLE FIXED ASSETS

	Short leasehold £	Equipment £	Fixtures and fittings £
COST			
At 1 April 2007	30,084	21,450	27,165
Additions		1,876	226
Disposals			
At 31 March 2008	<u>30,084</u>	<u>23,326</u>	<u>27,391</u>
DEPRECIATION			
At 1 April 2007	12,034	13,705	12,955
Charge for year	3,008	1,443	2,165
Eliminated on disposal			
At 31 March 2008	<u>15,042</u>	<u>15,148</u>	<u>15,120</u>
NET BOOK VALUE			
At 31 March 2008	<u>15,042</u>	<u>8,178</u>	<u>12,271</u>
At 31 March 2007	<u>18,050</u>	<u>7,745</u>	<u>14,210</u>
	Motor vehicles £	Computer equipment £	Totals £
COST			
At 1 April 2007		10,480	89,179
Additions	2,000	3,453	7,555
Disposals		(9,197)	(9,197)
At 31 March 2008	<u>2,000</u>	<u>4,736</u>	<u>87,537</u>
DEPRECIATION			
At 1 April 2007		7,218	45,912
Charge for year	500	1,679	8,795
Eliminated on disposal		(6,657)	(6,657)
At 31 March 2008	<u>500</u>	<u>2,240</u>	<u>48,050</u>
NET BOOK VALUE			
At 31 March 2008	<u>1,500</u>	<u>2,496</u>	<u>39,487</u>
At 31 March 2007		<u>3,262</u>	<u>43,267</u>

**Skye & Lochalsh
Mental Health Association**

**Notes to the Financial Statements continued
for the Year Ended 31 March 2008**

10 DEBTORS AMOUNTS FALLING DUE WITHIN ONE YEAR

	31 3 08	31 3 07 as restated
	£	£
Trade debtors	508	1,264
Other debtors	<u>3,636</u>	<u>2,917</u>
	<u>4,144</u>	<u>4,181</u>

11 CREDITORS AMOUNTS FALLING DUE WITHIN ONE YEAR

	31 3 08	31 3 07 as restated
	£	£
Trade creditors	1,745	1,007
Other creditors	<u>10,591</u>	<u>11,268</u>
	<u>12,336</u>	<u>12,275</u>

Other creditors include grants of £8,480 (2007 £9,212) received for the employment of an assistant manager for the year to 31 August 2008. Amounts attributable to the five month period commencing on 1 April 2008 have been deferred in accordance with paragraph 108 of the Charity Commission for England and Wales Accounting and Reporting by Charities Statement of Recommended Practice, issued March 2005.

12 OPERATING LEASE COMMITMENTS

The following operating lease payments for land and buildings are committed to be paid within one year

	31 3 08	31 3 07
	£	£
Expiring in more than five years	<u>18,550</u>	<u>17,500</u>

13 MOVEMENT IN FUNDS

	At 1 4 07 £	Net movement in funds £	Transfers between funds £	At 31 3 08 £
Unrestricted funds				
General fund	8,751	20,230		28,981
Designated funds HIE Skye and Wester Ross	17,314	(3,952)		13,362
Designated funds Highland Council MISG	21,165	(4,830)		16,335
Designated fund Assistant manager	<u>10,000</u>		<u>(6,001)</u>	<u>3,999</u>
	57,230	11,448	(6,001)	62,677
Restricted funds				
Assistant Manager	1,324	(6,001)	6,001	1,324
Christina MacLeod Fund	1,869	2,406		4,275
SCARF	<u>(2,066)</u>			<u>(2,066)</u>
	1,127	(3,595)	6,001	3,533
TOTAL FUNDS	<u>58,357</u>	<u>7,853</u>		<u>66,210</u>

**Skye & Lochalsh
Mental Health Association**

**Notes to the Financial Statements continued
for the Year Ended 31 March 2008**

13 MOVEMENT IN FUNDS continued

Net movement in funds, included in the above are as follows

	Incoming resources £	Resources expended £	Movement in funds £
Unrestricted funds			
General fund	178,318	(158,088)	20,230
Designated funds HIE Skye and Wester Ross		(3,952)	(3,952)
Designated funds Highland Council MISG		(4,830)	(4,830)
	<u>178,318</u>	<u>(166,870)</u>	<u>11,448</u>
Restricted funds			
Assistant Manager	21,084	(27,085)	(6,001)
Sessional funding	2,655	(2,655)	
Christina MacLeod Fund			
	<u>3,660</u>	<u>(1,254)</u>	<u>2,406</u>
	<u>27,399</u>	<u>(30,994)</u>	<u>(3,595)</u>
TOTAL FUNDS	<u><u>205,717</u></u>	<u><u>(197,864)</u></u>	<u><u>7,853</u></u>

Negative funds

Future funds are anticipated from the Scottish Community Action Research Fund ("SCARF") and the excess expenditure over income has been carried forward for offset against this income

Purpose of other funds carried forward

HIE Skye & Wester Ross and Highland Council MISG designated funds have been fully expended and are held against fixed assets

The designated fund for the assistant manager will be used to meet any shortfall in funding of this post

The Christina MacLeod fund will be used to meet members expenses and activities, outwith the core services provided

Transfers between funds

Funds were transferred from the designated fund to meet the shortfall of funding of the Assistant Manager's post

14 INCORPORATION STATUS

The company is incorporated by the guarantee of its members who are obligated to contribute up to £1 00 each in the event of the winding up of its activities

**Skye & Lochalsh
Mental Health Association**

**Detailed Statement of Financial Activities
for the Year Ended 31 March 2008**

	31 3 08 £	31 3 07 as restated £
INCOMING RESOURCES		
Voluntary income		
Gifts	2,000	
Donations and sponsorships	4,621	16,994
Core Funding Grants	143,195	140,388
Other Grants	<u>23,740</u>	<u>32,603</u>
	173,556	189,985
Investment income		
Deposit account interest	1,984	920
Incoming resources from charitable activities		
Cafe & kitchen sales	10,177	6,145
Highland Council housing grant	<u>20,000</u>	<u> </u>
	<u>30,177</u>	<u>6,145</u>
Total incoming resources	205,717	197,050
RESOURCES EXPENDED		
Charitable activities		
Wages	115,192	112,088
Social security	9,208	9,101
Pensions	4,935	5,923
Other operating leases	19,388	20,580
Rates and water	1,186	1,131
Insurance	1,903	1,692
Light and heat	3,329	4,338
Activity materials	1,616	472
Postage and stationery	485	812
Telephone	2,821	3,063
Sundries	993	1,022
Staff travel & car allowances	4,222	4,195
Socials & outings	152	538
Members expenses	419	682
Christina MacLeod expenses	1,254	1,934
Volunteers expenses	275	469
Bad debts	18	23
Repairs & renewals	1,742	3,048
Licences & subscriptions	1,447	483
Training	2,214	103
Motor expenses	45	
Cafe & kitchen purchases	11,419	8,634
Advertising	124	266
Add Cafe & kitchen stocks at start of year	541	516
Less Cafe & kitchen stocks at end of year	(260)	(541)
Depreciation of tangible fixed assets	8,796	7,970
Loss on sale of tangible fixed assets	2,539	
Bank charges	<u>40</u>	<u>60</u>
	196,043	188,602

**Skye & Lochalsh
Mental Health Association**

**Detailed Statement of Financial Activities
for the Year Ended 31 March 2008**

	31 3 08	31 3 07 as restated
	£	£
Governance costs		
Accountancy	<u>1,821</u>	<u>1,704</u>
Total resources expended	197,864	190,306
	<hr/>	<hr/>
Net income/(expenditure)	<u><u>7,853</u></u>	<u><u>6,744</u></u>