

**REGISTERED COMPANY NUMBER: 4004500 (England and Wales)**  
**REGISTERED CHARITY NUMBER: 1081116**

**Report of the Trustees and  
Audited Financial Statements for the Year Ended 31st March 2018  
for  
Solent Mind**

**Solent Mind**

**Contents of the Financial Statements  
for the Year Ended 31st March 2018**

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## Solent Mind

### Report of the Trustees for the Year Ended 31st March 2018

The trustees who are also directors of the charity for the purposes of the Companies Act 2006, present their report with the financial statements of the charity for the year ended 31st March 2018. The trustees have adopted the provisions of Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2015).

#### STRUCTURE, GOVERNANCE AND MANAGEMENT

##### Governing document

The charity is controlled by its governing document, a deed of trust, and constitutes a limited company, limited by guarantee, as defined by the Companies Act 2006.

#### REFERENCE AND ADMINISTRATIVE DETAILS

##### Registered Company number

4004500 (England and Wales)

##### Registered Charity number

1081116

##### Registered office

15-16 The Avenue  
Southampton SO17 1XF

##### Trustees

Ros Cassy OBE	Chair
Richard Coundley	Vice Chair
Clare Duncan	Retired Oct 17
Peter Hanlon	Treasurer
Fiona Hartfree	
Chris Martin	Retired Oct 17
Bryan Palmer	
Julie Todd	
Jack Wiseman	
Sarah Clements	Co-opted 24.01.18
Louise Goux-Wirth	Co-opted 24.01.18
Polly Hicks	Co-opted 24.01.18
Sharon Hill	Co-opted 24.01.18
Rachel Jessney	Co-opted 24.01.18

##### Company Secretary

Kevin Gardner

##### Senior Statutory Auditor

P E H Wright FCA DChA

##### Independent auditors

Sheen Stickland  
Chartered Accountants  
Statutory Auditors  
7 East Pallant  
Chichester  
West Sussex  
PO19 1TR

## **Solent Mind**

### **Report of the Trustees for the Year Ended 31st March 2018**

Solent Mind is a company limited by guarantee, as well as a registered charity. The charity was created in 1962, and the company was created in 2000.

The written constitution and governing document is the Memorandum and Articles of Association, which was last amended in 2017.

Solent Mind created a wholly owned subsidiary, Mayfield Nurseries, also a company limited by guarantee (6808517) and a registered charity, in February 2009. These Financial Statements cover both Mayfield and Solent Mind.

In 2012 Solent Mind, together with local children's charity the Rose Road Association, created Solent Support Solutions to manage each of our finances. Solent Support Solutions employs our Director of Finance, and Solent Mind's Chief Executive and Treasurer are both Directors of the Company.

#### **Recruitment and appointment of Trustees / Directors:**

Periodically the trustee board does a skills audit and this was last done in May 2017. A number of skills gaps were identified and through targeted advertising in specialist media and charity websites a number of candidates came forward. Solent Mind's established recruitment process was followed: Applicants were asked to describe how their skills and experiences match the person specification and role description. They were then interviewed by the Chair or their deputy and the Chief Executive. Where it was agreed to proceed, they were invited to attend a meeting of the Trustee Board and then to apply to become members of Solent Mind prior to being co-opted as trustees and directors. This process led to the co-option in January 2018 of 5 new trustees whose skills cover the identified gaps in HR, diversity and equality and marketing and communications. Co-optees then stand down at the next AGM and are subject to election by the membership of Solent Mind, alongside the one-third of current Trustee Board members who are required to retire by rotation.

#### **Administration Information**

The day to day management of the organisation is delegated to the Chief Executive, Kevin Gardner, who is also the designated Company Secretary. Mr Gardner commenced in role on 1 April 2017.

The Senior Management Team "SMT" is made up of the Chief Executive, the Director of Finance and IT (Neil Evans), the Director of Services (Malcolm Barrett and Di Kitson to 30.06.17/ Sue Forber from 01.07.17)– job share), the Director of Human Resources (Debbie Prince) and the Director of Business Development (Melanie Parker, to 30.09.17. The Chief Executive salary for the year was £65,000. The total salaries of the other members of the Senior Management Team (3.2 full time equivalents) was £146,000

The following provided services to the charitable company during 2017-18:-

#### **Auditors:**

Sheen Stickland, 7 East Pallant, Chichester, West Sussex, PO19 1TR

#### **Bankers:**

Unity Trust Bank, 9 Brindleyplace, Birmingham, B1 2HB.

Handelsbanken, 3 Charlton Crescent, Southampton SO15 2EY

#### **Solicitors:**

Lester Aldridge, Russell House, Oxford Road, Bournemouth, BH8 8EX

Moore Blatch, Gateway House, Tollgate, Chandler's Ford, Eastleigh, Southampton SO53 3TG

## **Solent Mind**

### **Report of the Trustees for the Year Ended 31st March 2018**

#### **Structure, Governance and Management**

Trustee / Director training and appraisal:

The Trustees / Directors allocate an away day twice a year for their own training, and take the opportunity to undertake other training and attend conferences. During the year the Board have discussed in detail the principles on Board Effectiveness, Diversity, Leadership and Decision Making, Risk and Control from the Charity Governance Code. A copy of the Code is provided to each trustee in electronic format.

Solent Mind is committed to being a diverse and inclusive charity. We believe that a diverse board can make better decisions, improve the quality of governance and increase public trust. Diversity of the board: at 31.3.18 there were 11 trustees of whom 7 are female and 4 male. 4 have personal lived experience of mental health difficulties and all others have a family or close friend experience of dealing with mental health problems. The age range of trustees as of 31<sup>st</sup> March 2018 was 26 to 74 years. 2 are from BAME. LGBTQ people can be at a higher risk of experiencing a mental health problem than the wider population. With this in mind, we have representation from the LGBTQ community on our Trustee board. We strive to represent as a board the communities we exist to serve. Two of our trustees are specifically designated as equality and diversity trustees. These trustees will engage with the Senior Management Team as part of an equality and diversity working group and with our local community groups. We seek to attract and retain a diverse board membership.

New trustees receive an induction which includes visits to projects to meet staff and service users and hear about Solent Mind's work, and they join and participate fully in staff induction days. A trustee handbook covering the role and responsibilities of trustees including key organisational documents such as risk management, safeguarding, health and safety and fundraising policies is provided to each new trustee. This handbook is updated annually. Trustees sign a Code of Conduct on joining the board.

Succession planning is in hand for the retirement of the Chair and Treasurer both of whose term of office ends in autumn 2018

The organisation is managed through a Trustee Board which meets every two months, with Sub Committees for Audit, Finance and Remuneration (AFRC), Strategy and Development, and People and Quality. The Trustees are also Directors of the Company. The Trustees / Directors are ultimately responsible for all the operational activities and developments of the organisation. They have a particular responsibility for setting the strategic direction and agreeing and monitoring the impact of policies and practice. There are established systems for trustee appraisal and link trustees for each service area. Terms of Reference for the Board and each Sub Committee are reviewed annually. The responsibilities of managers and staff for day to day operations are set out in Solent Mind's Delegated Authority Procedures.

Affiliation to Mind, the national association for mental health:

Solent Mind is affiliated to Mind, the national mental health charity, as a Local Mind Association through a Community Partnership Agreement under which all local Minds now operate. There is no financial or managerial connection beyond the payment of the membership fee. The Partnership Agreement with Mind enables us to determine our own policies and activities locally. Solent Mind was one of a small number of Local Mind Associations to pilot the revised "Mind Quality Management" (MQM) framework and achieved a high score with a particular strength noted as making sure the voice of service users is heard in shaping the design and delivery of services.

We share broadly the same charitable objects as other Local Mind Associations. Locally, Solent Mind, Havant and East Hampshire Mind and Andover Mind have created a Community Interest Company to deliver wellbeing services and East Hampshire and Solent Minds are also partners with other local voluntary organisations in delivering advocacy services in Hampshire.

Solent Mind takes advantage of Mind publicity, information and training as well as practical measures such as the block insurance policy. We also join with Mind in national campaigning events and initiatives.

Risk Assessment:

Solent Mind Risk and Opportunity Strategy was reviewed in early 2018 and the Risk Table setting out how different risks are assessed in terms of probability and significance, what remedial action is in place, and what level of residual risk we have accepted is reviewed quarterly at our AFRC.

We have reviewed our safeguarding practice and Public Interest Disclosure (whistleblowing) policies in the year. All staff undertake safeguarding training the first days of their employment and this is fully covered at our induction days which are held quarterly. Our top 3 risks relate to the loss or reduction of contract income, the achievement of contract compliance, and the loss of senior staff.

Volunteers:

125 volunteers worked alongside 156 FTE staff in 2017/18 (163 FTE staff in 16/17). We estimate they worked more than 14,000 hours in the year, mainly in Advocacy, Mayfield and our Wellbeing and peer support services. We find that volunteers, once with us, tend to become involved in other aspects of Solent Mind work. Some volunteers go on to become employees of Solent Mind. Their value to Solent Mind and the people we serve is immense.

#### **Objectives and Activities**

The objects of Solent Mind as set out in our Memorandum of Association are:

"to promote the preservation of mental health and to assist in relieving and rehabilitating persons suffering from mental disorder or conditions of emotional or mental distress, requiring advice or treatment principally in Southampton and also in Hampshire the Channel Islands and bordering areas in association with Mind and in accordance with the aims and objects of Mind".

Solent Mind's 2020 Vision sets out what we want to achieve over the next couple of years:

1. Everyone with a mental health issue trusts Solent Mind to be on their side, and able to support them or to find support for them
2. Everyone supported by Solent Mind knows how they can achieve good mental wellbeing
3. People with lived experience share the power to design, deliver and lead mental health services

The Basic Purpose of Solent Mind

We provide advice and support to empower anyone experiencing a mental health problem. We campaign to improve services, raise awareness and promote understanding of mental health

## Solent Mind

### Report of the Trustees for the Year Ended 31st March 2018

Significant activities:

We are an established provider of mental health services, and during 2017-18 provided support across 8 main groups of services and activities:

	Main features
Advocacy	Community advocacy, Independent Mental Capacity Advocacy (IMCA) Independent Mental Health Advocacy (IMHA) Care Act, Paid Representatives, Deprivation of Liberty Safeguards
Carers Support <i>Carers Support provided until July 2017 when funding ended. Ongoing support for carers is provided via our wellbeing centres</i>	Direct provision of information and support through Carers Support Workers placed within mental health teams
Home-Based Support and Older Persons Support <i>Home Based Support provided until July 2017</i>	Targeted ("floating") support for living independently Reablement support following diagnosis of dementia
Outreach and Education	Targeted work with young people and engagement with the wider communities we work within Blue light – mental health resilience training to emergency services
Peer Support	'Support with inspiration' provided by people with lived experience of mental health issues
Support and Recovery	Employment Support Peer Support Education Support, Time and Recovery Wellbeing Recovery College
Talking Therapies	Low intensity psychological therapies across most of Hampshire via sub-contract with Southern Health NHS Foundation Trust
Wellbeing	Provision of services with an emphasis on integration. Includes physical and mental wellbeing, practical skills, community development, and horticultural therapy/ gardening on prescription

Solent Mind works in Southampton, across Hampshire, and in Portsmouth. Our services are broad and far-reaching, offering support to those in greatest need, and treatment to people with mild to moderate depression and anxiety.

We also continue to work in places where people are at their most vulnerable, including acute and secure hospitals. And we specifically target those who fare worst in the mental health system, including minority communities.

The Trustees considered the public benefit requirements set out by the Charity Commission and have concluded that the following descriptions of Solent Mind's achievements, performance and plans fully demonstrate how our work benefits people with mental health issues.

Partnerships are seen as essential to the achievement of our aims. Apart from the two Community Interest Companies established with partners mentioned on page 3, we have partnership arrangements with Solent NHS Trust and with Portsmouth City Council. This partnership has developed a number of services that together provide Support and Recovery across Portsmouth City. This includes peer support and recovery services at St Mary's Hospital, employment advice to those using the IAPT service, the Recovery College at Highbury College, and the opening of a new Wellbeing Centre in Southsea. The italk (Increasing Access to Psychological Therapies) service entered its third contract period in April 2017. We continue to work with Southern Health Foundation Trust to deliver this work and now have a sub contract with SHFT to deliver the step 2 (community based) part of the service.

Trustees monitor the performance of all services initially through the People and Quality Sub Committee. There is an established framework for reviewing Key Performance Indicators which include details on service quality (service user feedback is an intrinsic part of this) and financial performance. The full board receives a report on KPIs twice a year. Complaints are also monitored in the People and Quality Committee. 11 complaints were received in the year 17/18. All complaints were resolved or taken through all three stages of Solent Mind's complaints procedure by year end. Work is ongoing to develop recording of the impact of our work using our CRM system.

Members:

Membership of Solent Mind, which entitles people to vote at our AGM and receive periodic information about the charity, stood at 164 at 31.3.18. This is an increase of 42 (25%) over the previous year. We have been promoting membership via our Service User Forum, website and social media, and continue to seek to increase membership and enhance our offer to members.

## Solent Mind

### Report of the Trustees for the Year Ended 31st March 2018

#### Communication:

We have developed a strong presence on social media during the year and keep our stakeholders up to date via our Annual Review, Solent Mind and Mayfield Nurseries websites, and Facebook and Twitter.

#### Achievements and Performance 2017/18

##### A year in numbers:

- Peer Support volunteers gave 4,289 hours over the past year
- 44,973 people visited our website
- Our Heads Up team visited 4,000 young people in schools and colleges Upturn worked with around 500 Young people delivering workshops and groups
- 798 referrals were made to our Portsmouth Employment Service
- Our Wellbeing Centres helped 1,710 people
- 15,840 people were supported through italk talking therapies
- Our Advocacy Service took over 2, 932 referrals
- 249 people have been supported through our Side by Side programmes this year.
- Mayfield Nurseries supported 105 people with mental health problems and dementia, and 96% of service users told us their confidence and mental health had improved.
- 221 people have signed up to our Dementia Friends Information sessions in Portsmouth

The Board of Trustees agreed to continue to invest in new service development through the provision of Upturn service to children and young people in the Fareham and Gosport areas. This has involved staff with lived experience visiting schools to raise awareness of the impact of mental health issues in formative years, and assist young people to develop their own strategies to manage this. Investment from reserves has also been made in a new Head of Service position with strategic responsibility for the development of Peer Support. The Board regards these investments as a long term strategy to consolidate our strengths and to meet our vision for 2020

As noted last year we had to transfer our floating support team to another provider who won the revised tender for this element of work. All staff except one were transferred to the new organisation in June 2018.

We have continued to deliver this wide range of services across a broad geography and with great user satisfaction. Our advocacy and italk programmes have seen pressure in meeting some contract requirements which is kept under review with commissioners. However alongside these pressures we have continued to deliver strong performance in our Wellbeing Centres and in the Support and Recovery work in Portsmouth and we look to consolidate on these successes next year.

Our investment in a small fundraising team has produced very good results with the income targets for the year being exceeded. We are particularly grateful to Ordnance Survey, The Southern Co-op and Shentons Solicitors as our charity partners. Not only have they raised money for us we have delivered workplace wellbeing training to them and their staff from our expert staff. We continue to seek and develop corporate relationships alongside targeted applications to grant making trusts, community events and delivering further training programmes to employers across our area.

During the year the trustees approved a 2020 Development Plan put forward by the management team which covers 8 workstreams:

Diversification of Income  
Campaigning and Influencing  
Research and Evaluation  
Diversity  
Children & Young People  
Digital  
Communications  
Workforce Wellbeing and Development

Individual trustees will be linked to each work stream to support the work across the organisation. Each element is led by a member of the SMT and includes staff from all areas of our work. In January 2018 the Board agreed a budget for 18/19 to include some investment in digital infrastructure to ensure we upgrade our systems to be as efficient as possible.

## Solent Mind

### Report of the Trustees for the Year Ended 31st March 2018

#### Plans for 2018/19 and beyond

All our plans are designed to achieve our vision to be the most trusted of organisations, to promote wellbeing and for people with lived experience to be shaping our work. Our focus for 2018/19 will be on:

- Continuing to develop our strategic partnerships with both Southern Health NHS Foundation Trust and Solent NHS Trust in Portsmouth, as we explore the extent to which our practical, community focussed skills can complement their clinical expertise.
- Building on our successful Wellbeing Centres, in partnership with neighbouring Local Minds and Hampshire County Council, to offer a variety of support including help to prevent mental health crisis
- Develop a greater role for the organization in achieving its aims through influencing and lobbying
- Work closely with a group of other large service providing Local Mind Associations so that through peer learning we can improve the reach and quality of our services.
- Further developing a diversity of income streams including corporate partnerships, training programmes and the potential of further social enterprise arrangements in order to reduce reliance on income from contracts with public authorities
- Updating our diversity strategy and creating a refreshed implementation plan
- Building on Side by Side, the continuing promotion of Peer Support across the whole of Solent Mind, as an essential component of mental health support
- Implement our new strategy for provision of support to children and young people and their families
- Build on our success in Investors in People and Mind Quality Mark to increase our workforce wellbeing
- Implement the digital strategy action plan with a focus on upgrading our HR systems and refreshing the website alongside expanding our use of CRM to measure the impact of our services
- Build upon the learning from our successful Community Connectors applied research project in partnership with the University of Central Lancashire (UCLan), to build capacity in communities to use their own strengths and assets
- Review the effectiveness of our governance arrangements and ensure a smooth transition following the retirement of our Chair and Treasurer who will both complete their terms of office in Autumn 2018

#### Financial review

##### Basis of accounting

The annual financial statements of the Solent Mind group are attached to this report. The financial statements of the charitable company, which is a public benefit entity under FRS 102, have been prepared in accordance with the Charities SORP (FRS 102) 'Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2015)', Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' and the Companies Act 2006. The financial statements have been prepared under the historical cost convention, as modified by the revaluation of certain assets.

Consolidated financial statements have been prepared to incorporate the results of Mayfield Nurseries – Solent Mind's 100% owned subsidiary charitable company.

##### Review of the year

##### Net Incoming Resources before transfers for the year

Total Net Incoming Resources (includes investments from reserves) for the year the group amounted to £135,314.

During the year Solent Mind invested from its reserves into the following services;

- Upturn Service (£21,430)
- Marcella House (£1,962)

Total investment from reserves (£23,392)

The operating surplus for the year amounted to £158,706 this represents 2.74% of Total Incoming Resources for the year.

**Total Net Incoming Resources £135,314**

Also Included in the Total Net Incoming Resources for 2017/18 is the £16,276 surplus made by Mayfield Nurseries.

##### Incoming Resources for the Year

Gross income for the group for the year totalled £5,798,033 a decrease of (£136,631) or (2.30%) on last year (16/17).

The principal funding sources are derived from contract and grant income which accounts for 94% or £5,477,360 of Solent Mind group's total income. The vast majority of funding is through service contracts with NHS and local authorities which are typically between one and three years. This provides Solent Mind with financial stability over the medium term and allows for greater planning certainty and decision making.



## **Solent Mind**

### **Report of the Trustees for the Year Ended 31st March 2018**

Mayfield Nurseries gross income for the year totalled £276,666 an increase of £41,405 or 17.60% on last year (16/17) despite losses in contractual income overall income rose due to increases in both donated and grant income.

During 17/18, Solent Mind made an Actuarial gain on its defined benefit schemes of £48 compared to loss of £4,736 in (16/17)

#### **Resources Expended**

Resources expended for the year totalled £5,662,767 a decrease of (£385,220) or (6.37%) on last year (16/17).

Charitable Activities expenditure accounted for 96% or £5,437,712 of the Solent Mind's total resources expended.

#### **Capital Expenditure**

Solent Mind's group capital expenditure for the year amounted to £49,833 compared to (16/17) £87,330.

#### **Funds**

Total funds as at 31<sup>st</sup> March 2018 stand at £2,429,659, of which £1,650,497 relates to unrestricted funds, £138,126 relates to restricted funds and £641,036 relates to permanent endowment funds.

#### **Reserves Policy**

Solent Mind is keenly aware of the need to secure its viability beyond the immediate future. To enable the charity to provide reliable services or funding over the longer term, Solent Mind must be able to absorb setbacks and to take advantage of change and opportunity.

The charity provides for this by putting aside, when it can afford it, some of its current income as reserves against future uncertainties.

It is prudent to set aside reserves to cover future potential liabilities, but also to have funds available to take advantage of any opportunities that may come the way of the charity.

Solent Mind's Trustee Board has considered the adequacy of its reserves held on 31<sup>st</sup> March 2018, in line with its policy to do so on an annual basis following detailed scrutiny and recommendations by its Audit, Finance and Remuneration Committee, which itself is guided by the Charity Commission guidance on charity reserves.

The charity needs reserves to enable it to continue as a going concern. The Trustee Board consider the reserves held on the balance sheet to be at an adequate level to meet their responsibilities and commitments, protect and advance its current activities and to enable it to progress its long term aims and objectives which are outlined in the Development Plan.

Solent Mind's reserves include unrestricted, restricted and permanent endowment funds. Unrestricted funds held by Solent Mind total £1,650,498, of which £1,020,277 relates to fixed assets held in general and revaluation reserves and £244,221 has been designated for particular purposes. A further £386,000 is held in the general infrastructure reserve. The general infrastructure reserve is to be used to cover unforeseen losses in central income used to support Solent Mind's infrastructure.

Restricted funds total £138,125 of which £49,041, set aside in a Property Maintenance Reserve, relates to a cash donation from MJB Charitable Trust to be used specifically for major repairs and improvements on the properties transferred. £26,747 is held in the Marcella House Legacy Reserve to be used specifically for the Marcella House Project. £2,720 is held in the MJB Charitable Trust Funded Projects Reserve to be used specifically for projects funded by the Trust. £59,617 relates to funds from the merger with Fareham and Gosport Mind and is to be used in the Fareham and Gosport area only.

Permanent Endowment funds total £650,518 - this relates to the MJB Charitable Trust donation in 2006/07 and includes three properties that were transferred. Note 22 in the financial statements gives further explanation of the reserves held by Solent Mind and the movements within the year on each reserve.

#### **Investment Policy**

The Audit, Finance and Remuneration Committee does not consider it prudent at this stage to invest income for the longer term. Its policy for investment is therefore to retain funds as cash and place them on bank deposit at the best rate obtainable. The Treasury Management policy sets out the board's approach.

#### **Information provided to Auditors**

All of the current Directors have taken all the necessary steps that they ought to, in order to make themselves aware of any relevant information (as defined by Section 418 of the Companies Act 2006) needed by the charitable company's auditors for the purposes of their audit. The Directors are not aware of any relevant audit information of which the auditors are unaware.

**Report of the Trustees  
for the Year Ended 31st March 2018**

**STATEMENT OF TRUSTEES RESPONSIBILITIES**

The trustees (who are also the directors of Solent Mind for the purposes of company law) are responsible for preparing the Report of the Trustees and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

Company law requires the trustees to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the charitable company and of the incoming resources and application of resources, including the income and expenditure, of the charitable company for that period. 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 Charity SORP;
- make judgements and estimates that are reasonable and prudent;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue in business.

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

In so far as the trustees are aware:

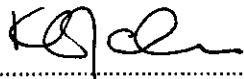
- there is no relevant audit information of which the charitable company's auditors are unaware; and
- the trustees have taken all steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditors are aware of that information.

**AUDITORS**

The auditors, Sheen Stickland, will be proposed for re-appointment at the forthcoming Annual General Meeting.

This report has been prepared in accordance with the special provisions of Part 15 of the Companies Act 2006 relating to small companies.

Approved by order of the board of trustees on 19 SEPTEMBER 2018 and signed on its behalf by:



.....  
K R Gardner - Secretary

## Report of the Independent Auditors to the Members of Solent Mind

### Opinion

We have audited the financial statements of Solent Mind (the 'parent charitable company') and its subsidiary (the 'group') for the year ended 31st March 2018 on pages eleven to thirty one. 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).

In our opinion the financial statements:

- give a true and fair view of the state of the group's and of the parent charitable company's affairs as at 31st March 2018 and of the group's incoming resources and application of resources, including its income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

### Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditors responsibilities for the audit of the financial statements section of our report. We are independent of the group and charitable company in accordance with the ethical requirements that are relevant to our audit of the group financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

### Conclusions relating to going concern

We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

- the trustees' use of the going concern basis of accounting in the preparation of the group financial statements is not appropriate; or
- the trustees have not disclosed in the group financial statements any identified material uncertainties that may cast significant doubt about the group and parent charitable company's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

### Other information

The trustees are responsible for the other information. The other information comprises the information included in the annual report, other than the group financial statements and our Report of the Independent Auditors thereon.

Our opinion on the group financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the group financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the group financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

### Opinion on other matters prescribed by the Companies Act 2006

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the Report of the Trustees for the financial year for which the financial statements are prepared is consistent with the group financial statements; and
- the Report of the Trustees has been prepared in accordance with applicable legal requirements.

### Matters on which we are required to report by exception

In the light of the knowledge and understanding of the group and the parent charitable company and their environment obtained in the course of the audit, we have not identified material misstatements in the Report of the Trustees.

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 by the parent charitable company or returns adequate for our audit have not been received from branches not visited by us; or
- the parent charitable company financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of trustees' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

### Responsibilities of trustees

As explained more fully in the Statement of Trustees Responsibilities set out on page eight, the trustees (who are also the directors of the parent charitable company for the purposes of company law) are responsible for the preparation of the group financial statements and for being satisfied that they give a true and fair view, and for such internal control as the trustees determine is necessary to enable the preparation of group financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the group financial statements, the trustees are responsible for assessing the group and parent charitable company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the trustees either intend to liquidate the group and parent charitable company or to cease operations, or have no realistic alternative but to do so.

## Report of the Independent Auditors to the Members of Solent Mind

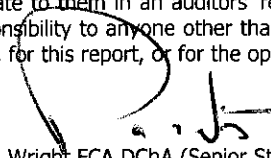
### Our responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the group financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue a Report of the Independent Auditors that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these group financial statements.

A further description of our responsibilities for the audit of the group financial statements is located on the Financial Reporting Council's website at [www.frc.org.uk/auditorsresponsibilities](http://www.frc.org.uk/auditorsresponsibilities). This description forms part of our Report of the Independent Auditors.

### Use of our report

This report is made solely to the charitable company'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 charitable company's members those matters we are required to state to them in an auditors' report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the group and charitable company and the charitable company's members as a body, for our audit work, for this report, or for the opinions we have formed.



P E H Wright FCA DChA (Senior Statutory Auditor)  
for and on behalf of Sheen Stickland  
Chartered Accountants  
Statutory Auditors  
7 East Pallant  
Chichester  
West Sussex  
PO19 1TR

Date: 19/01/18.....

**Solent Mind**

**Statement of Financial Activities  
for the Year Ended 31st March 2018**

	Notes	Group			2018	2017
		Unrestricted funds £	Restricted funds £	Endowment funds £	Total funds £	Total funds £
<b>INCOME AND ENDOWMENTS FROM</b>						
Donations, legacies and Fundraising	2	158,715	-	-	158,715	103,359
Charitable activities	5					
Employment & IAPT		2,266,353	-	-	2,266,353	2,367,186
Portsmouth		866,752	-	-	866,752	536,181
Home Based		112,248	-	-	112,248	653,933
Peer Support		160,708	-	-	160,708	67,078
Advocacy		933,579	-	-	933,579	915,169
Wellbeing		872,557	77,374	-	949,931	1,046,573
Therapy and Training		110,246	-	-	110,246	73,009
Other Charitable Activities		77,543	-	-	77,543	2,084
<b>Trading Activities</b>						
Plant and Cafe Sales	3	112,392	-	-	112,392	125,336
Other Income		48,822	-	-	48,822	42,591
Investment income	4	744	-	-	744	2,165
<b>Total</b>		<b>5,720,659</b>	<b>77,374</b>	<b>-</b>	<b>5,798,033</b>	<b>5,934,664</b>
<b>EXPENDITURE ON</b>						
Raising funds	6					
- Donations, legacies and Fundraising		68,425	-	-	68,425	60,203
- Trading Activities		156,630	-	-	156,630	93,992
<b>Charitable activities</b>						
Employment & IAPT	7	2,188,992	-	-	2,188,992	2,474,037
Portsmouth		866,067	-	-	866,067	492,108
Home Based		126,309	-	-	126,309	648,130
Peer Support		140,329	-	-	140,329	88,697
Advocacy		989,459	-	-	989,459	964,808
Wellbeing		877,266	136,048	9,482	1,022,796	1,147,959
Therapy and Training		103,760	-	-	103,760	77,862
Other Charitable Activities		-	-	-	-	191
<b>Total</b>		<b>5,517,237</b>	<b>136,048</b>	<b>9,482</b>	<b>5,662,767</b>	<b>6,047,987</b>
<b>NET INCOME</b>		<b>203,422</b>	<b>(58,674)</b>	<b>(9,482)</b>	<b>135,266</b>	<b>(113,323)</b>
<b>Other recognised gains/(losses)</b>						
Revaluation of Fixed Assets		-	-	-	-	-
Actuarial gains/(losses) on defined benefit schemes		48	-	-	48	(4,736)
<b>Net movement in funds</b>		<b>203,470</b>	<b>(58,674)</b>	<b>(9,482)</b>	<b>135,314</b>	<b>(118,059)</b>
<b>RECONCILIATION OF FUNDS</b>						
Total funds brought forward		1,447,027	196,800	650,518	2,294,345	2,412,404
<b>TOTAL FUNDS CARRIED FORWARD</b>		<b>1,650,497</b>	<b>138,126</b>	<b>641,036</b>	<b>2,429,659</b>	<b>2,294,345</b>

**CONTINUING OPERATIONS**

**Solent Mind (Registered number: 4004500)**

**Balance Sheet**

**At 31st March 2018**

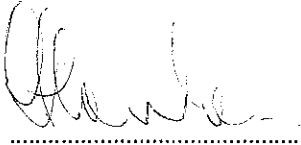
	Notes	Group 2018 £	2017 £	Charity 2018 £	2017 £
<b>FIXED ASSETS</b>					
Tangible assets	12	1,873,698	1,956,531	1,861,441	1,952,276
<b>CURRENT ASSETS</b>					
Stock	13	41,615	37,668	-	-
Debtors	14	479,241	617,311	473,223	609,076
Cash at bank		1,082,781	845,556	956,677	783,494
<b>TOTAL CURRENT ASSETS</b>		1,603,637	1,500,535	1,429,900	1,392,570
<b>CREDITORS - Amounts falling due within one year</b>					
Creditors	15	(341,203)	(443,462)	(328,325)	(431,338)
Deferred income	16	(338,592)	(273,889)	(260,958)	(252,999)
Mortgage	17	(18,064)	(19,777)	(18,064)	(19,777)
<b>NET CURRENT ASSETS</b>		905,778	763,407	822,553	688,456
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>		2,779,476	2,719,938	2,683,994	2,640,732
<b>CREDITORS - Amounts falling due after more than one year</b>					
Deferred income	16	-	-	-	-
Mortgage		(274,872)	(291,223)	(274,872)	(291,223)
<b>PROVISIONS FOR LIABILITIES</b>	20	-	(50,000)	-	(50,000)
<b>PENSION LIABILITY</b>	23	(74,945)	(84,370)	(74,945)	(84,370)
<b>NET ASSETS</b>		2,429,659	2,294,345	2,334,177	2,215,139
<b>FUNDS</b>					
Unrestricted funds	22	1,329,542	1,126,072	1,234,060	1,046,866
Revaluation Reserve		320,955	320,955	320,955	320,955
Restricted funds		138,126	196,800	138,126	196,800
Endowment funds		641,036	650,518	641,036	650,518
<b>TOTAL FUNDS</b>		2,429,659	2,294,345	2,334,177	2,215,139

Solent Mind (Registered number: 4004500)

Balance Sheet - continued

At 31st March 2018

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19/9/18

P R E Hanlon -Trustee



19/9/18

Ms R I Cassy -Trustee

Solent Mind (Registered number: 4004500)

**Cash Flow Statement**

**for the Year Ended 31st March 2018**

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		<b>Group</b>	
		<b>2018</b>	<b>2017</b>
	Notes	£	£
<b>Cash flows from operating activities:</b>			
Cash generated from operations	28	268,298	(70,090)
<b>Net cash provided by (used in) operating activities</b>		268,298	(70,090)
<b>Cash flows from investing activities:</b>			
Purchase of tangible fixed assets		(49,833)	(87,330)
Sale of tangible fixed assets		-	-
Gain on defined benefit pension plan		(48)	(4,736)
Interest received		744	2,165
<b>Net cash provided by (used in) investing activities</b>		(49,137)	(89,901)
<b>Cash flows from financing activities:</b>			
Mortgage Repayments		18,064	(19,811)
Expenditure attributable to endowment		-	-
<b>Net cash provided by (used in) financing activities</b>		18,064	(19,811)
<b>Change in cash and cash equivalents in the reporting period</b>		236,259	(179,802)
<b>Cash and cash equivalents at the beginning of the reporting period</b>		845,556	1,025,358
<b>Cash and cash equivalents at the end of the reporting period</b>		<u>1,082,781</u>	<u>845,556</u>



**Notes to the Financial Statements  
for the Year Ended 31st March 2018**

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**1 ACCOUNTING POLICIES**

**Basis of preparing the financial statements**

The financial statements of the charitable company, which is a public benefit entity under FRS 102, have been prepared in accordance with the Charities SORP (FRS 102) 'Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2015)', Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' and the Companies Act 2006. The financial statements have been prepared under the historical cost convention, as modified by the revaluation of certain assets.

**Basis of consolidation**

The financial statements incorporate the results of Solent Mind and its charitable subsidiary Mayfield Nurseries. Exemption has been taken from including the statement of Financial Activities of Solent Mind on a non-consolidated basis in accordance with section 408 of the Companies Act 2006.

**Income**

All income is recognised in the Statement of Financial Activities once the charity has entitlement to the funds, it is probable that the income will be received and the amount can be measured reliably.

The specific bases are used as follows:

- Voluntary income includes donations on a receivable basis.
- Fundraising income is shown gross.
- Lease income is accounted for on a receivable basis over the life of the lease.
- Investment income is accounted for on a receivable basis.
- Charitable Activity - all contract, grant and trading income is accounted for on a receivable basis. Income received in advance is deferred until entitlement to the income has arisen at which time it is credited to the Statement of Financial Activities.
- Grants that provide core funding or are of a general nature provided by statutory or charitable foundations are recorded as income from charitable activities. Income is recognised over the period of the grant.

**Volunteer Services**

The value of services rendered by volunteers is not incorporated in these financial statements. The number of hours is given elsewhere in this document. It is recognised that the intangible value of Solent Mind volunteers far outstrips any financial worth that may be attributed to their service.

**Expenditure**

Liabilities are recognised as expenditure as soon as there is a legal or constructive obligation committing the charity to that expenditure, it is probable that a transfer of economic benefits will be required in settlement and the amount of the obligation can be measured reliably. 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. Expenditure is recognised when it is incurred and is reported gross of related income. It is accounted for on an accruals basis and allocated to the appropriate headings in the financial statements.

- Cost of raising funds comprises the costs associated with attracting voluntary income and the costs of other income generation, e.g. costs associated with fundraising.
- Charitable activities expenditure enables Solent Mind to meet its charitable aims and objectives. This expenditure comprises direct expenditure including direct staff costs attributable to its activities. Where costs cannot be directly attributed, they have been allocated to activities on a basis consistent with the use of resources as described below.
- Governance costs are associated with the governance arrangements of the charity, and relate to the general running of the charity. These costs include audit, legal advice for Trustees and costs associated with meeting constitutional and statutory requirements such as the cost of Trustee meetings and the preparation of statutory financial statements.
- Support costs are those costs which enable charitable activities and governance to be undertaken. These costs include central functions (Finance, IT, Human Resources & Administration and Function Management). These costs have been allocated to activity cost categories on a basis consistent with the use of resources.

### **Tangible fixed assets**

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

Freehold property	-2% on cost
Long leasehold	- in accordance with the lease
IT Equipment	-33.33% on cost
Motor vehicles	-25% on reducing balance
CRM	-10% on cost
Capitalised Software	-20% on cost
Fixtures and Fittings	-20% on cost
Office Equipment	-20% on cost

Where the recoverable amount of a fixed asset is found to be below its net book value, the asset will be written down to the recoverable figure and the loss on impairment is recognised in the SOFA.

The freehold and leasehold property is stated at market value on the basis of the valuations, less depreciation to date. Property is shown at the most recent valuation which was undertaken in 2016. Any aggregate surplus or deficit is transferred to the Statement of Financial Activities.

Items purchased with a value below £1000 and IT Equipment below £350 are not capitalised.

### **Stock**

The closing stock represents plant and cafe stock held at Mayfield Nurseries. Its value is deemed to be net selling price less mark up.

### **Related party exemption**

The charitable company has taken advantage of exemption, under the terms of Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' section 33, not to disclose related party transactions with wholly owned subsidiaries within the group.

### **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.

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.

### **Hire purchase and 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.

### **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.

**Notes to the Financial Statements - continued**  
**for the Year Ended 31st March 2018**

**2 DONATIONS AND LEGACIES**

	<b>Group</b>	
	<b>2018</b>	<b>2017</b>
	<b>£</b>	<b>£</b>
Donations	57,179	92,062
Fundraising	101,536	11,297
	<u>158,715</u>	<u>103,359</u>

**3 TRADING ACTIVITIES**

	<b>Group</b>	
	<b>2018</b>	<b>2017</b>
	<b>£</b>	<b>£</b>
Lease/room hire income	19,581	8,325
Consultancy and training	17,741	4,076
Plant and Cafe Sales	112,392	125,336
Members income	11,500	30,190
	<u>161,214</u>	<u>167,927</u>

**4 INVESTMENT INCOME**

	<b>Group</b>	
	<b>2018</b>	<b>2017</b>
	<b>£</b>	<b>£</b>
Deposit account interest	744	2,165

**5 INCOME FROM CHARITABLE ACTIVITIES**

		<b>Group</b>	
	<b>Activity</b>	<b>2018</b>	<b>2017</b>
		<b>£</b>	<b>£</b>
Contract	Employment & IAPT	2,266,353	2,367,186
Contract and Grants	Portsmouth	866,752	536,181
Contract and Grants	Home Based	112,248	653,933
Grants	Peer Support	160,708	67,078
Contract	Advocacy	933,579	915,169
Contract and Grants	Wellbeing	949,931	1,046,573
Grants	Therapy and Training	110,246	73,009
Grants	Other Charitable Activities	77,543	2,084
		<u>5,477,360</u>	<u>5,661,213</u>

		<b>Group</b>	
		<b>2018</b>	<b>2017</b>
		<b>£</b>	<b>£</b>
Southampton City Council SS	Contract	371,523	549,093
Hampshire County Council SS	Contract	980,032	1,316,918
Southern Health NHS FT	Contract	2,339,106	2,340,235
Portsmouth City Council	Contract	419,999	374,999
Hampshire Partnership NHS Trust	Contract	-	2,149
DWP - Access to Work	Contract	7,230	7,099
Personalisation	Contract	31,843	37,943
Individual Service Contracts	Contract	33,558	32,415
Andover Mind	Contract	84,110	194,500
University of Southampton	Contract	-	23,491
Solent NHS Trust	Contract	618,329	498,760
Southampton City CCG	Contract	13,000	26,000
Hampshire Mind CIC	Contract	258,217	-
Portsmouth City Council	Grant	-	54,410
Hampshire City Council	Grant	-	23,754
National Mind	Grant	13,062	76,422
Southampton City Council SS	Grant	75,008	-
Hampshire County Council SS	Grant	74,300	-
Southern Cooperative	Grant	40,000	-
NHS West Hampshire CCG	Grant	12,879	-
Portsmouth City Council	Grant	4,375	-
MJB	Grant	77,374	71,457
St Georges Trust	Grant	-	20,000
Solent Mind	Other	-	-
Other Contracts and Grants	Other	23,415	11,568
		<u>5,477,360</u>	<u>5,661,213</u>

## 6 RAISING FUNDS

### -Raising donations, legacies & Fundraising

		<b>Group</b>	
		<b>2018</b>	<b>2017</b>
		<b>£</b>	<b>£</b>
Staff costs		34,392	28,599
Other direct costs		8,856	25,632
Support costs		24,523	5,815
Governance costs		654	157
Other operating leases		-	-
		<u>68,425</u>	<u>60,203</u>

**-Trading Activities**

	<b>Group</b>	
	<b>2018</b>	<b>2017</b>
	<b>£</b>	<b>£</b>
Staff costs	84,618	65,189
Other direct costs	42,841	4,587
Support costs	16,429	14,394
Governance costs	4,729	4,143
Other operating leases	8,013	5,679
	<u>156,630</u>	<u>93,992</u>

**7 CHARITABLE ACTIVITIES COSTS**

	<b>Group Direct costs</b>	<b>Support costs</b>	<b>Totals</b>
	<b>(See note 8)</b>		
	<b>£</b>	<b>£</b>	<b>£</b>
Employment & IAPT	1,843,928	345,064	2,188,992
Portsmouth	733,322	132,745	866,067
Home Based	108,761	17,548	126,309
Peer Support	115,352	24,977	140,329
Advocacy	847,438	142,021	989,459
Wellbeing	869,292	153,504	1,022,796
Therapy and Training	89,744	14,016	103,760
Other Charitable Activities	-	-	-
	<u>4,607,837</u>	<u>829,875</u>	<u>5,437,712</u>

**8 SUPPORT COSTS**

	<b>Group</b>					<b>2018 Total</b>	<b>2017 Total</b>
	HR, Training, Admin and Comms	Governance costs	Management	Finance	Information technology	<b>£</b>	<b>£</b>
	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>
Employment & IAPT	110,959	8,960	74,361	63,963	86,821	345,064	369,335
Portsmouth	42,685	3,447	28,606	24,606	33,401	132,745	83,911
Home Based	5,643	456	3,781	3,253	4,415	17,548	102,811
Peer Support	8,031	649	5,382	4,630	6,285	24,977	10,646
Advocacy	45,668	3,688	30,605	26,326	35,734	142,021	142,766
Wellbeing	49,361	3,986	33,080	28,454	38,623	153,504	166,694
Therapy and Training	1,991	3,133	2,256	5,309	1,327	14,016	9,729
Other Charitable Activities	-	-	-	-	-	-	140
Raised Funds	11,101	5,383	8,832	12,681	8,338	46,335	24,509
	<u>275,439</u>	<u>29,702</u>	<u>186,903</u>	<u>169,222</u>	<u>214,944</u>	<u>876,210</u>	<u>910,541</u>

8 **SUPPORT COSTS - continued**

Solent Mind charges its main activities (Employment & IAPT, Portsmouth, Home Based Support, Peer Support, Advocacy, and Wellbeing) support costs (Finance and Business Development, Information Technology, Functional Management, Governance and Human Resources and Administration) based on a full cost recovery model. This base is considered consistent with the use of resources.

This is a subsidised charge due to the fact that Solent Mind receives contract and other funding from within its other charitable activities function specifically towards its support costs. This income is used to reduce the amount of support costs it needs to apportion its main activities.

9 **NET INCOME/(EXPENDITURE)**

**Net income/(expenditure) is stated after charging/(crediting):**

	<b>Group</b>	
	<b>2018</b>	<b>2017</b>
	<b>£</b>	<b>£</b>
Auditors' remuneration	10,046	11,852
Depreciation - owned assets	131,603	137,179
Other operating leases	147,595	189,792
	<u>289,244</u>	<u>338,823</u>

10 **TRUSTEES' REMUNERATION AND BENEFITS**

There were no trustees' remuneration or other benefits for the year ended 31st March 2018 nor for the year ended 31st March 2017.

Trustees' expenses  
2018 - £nil

Solent Mind - Travel expenses totalling £63 (2017: £206) were reimbursed to the trustees during the year. Trustee indemnity insurance cover of £1 million is provided for at a cost of £40 per annum.

Mayfield Nurseries - No expenses were paid to the trustees during this period. Trustee indemnity insurance cover of £1 million is provided at a cost of £25 per annum.

11 **STAFF COSTS**

	<b>Group</b>	
	<b>2018</b>	<b>2017</b>
	<b>£</b>	<b>£</b>
Wages and salaries	3,396,394	3,517,120
Social security costs	258,960	261,191
Other pension costs	115,001	137,709
	<u>3,770,355</u>	<u>3,916,020</u>

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

	<b>Group</b>	
	<b>2018</b>	<b>2017</b>
Charitable activities	150	157
Governance and support	6	6
	<u>156</u>	<u>163</u>

The number of employees whose employee benefits (excluding employer pension costs) exceeded £60,000 was:

	<b>Group</b>	
	<b>2018</b>	<b>2017</b>
£60,001 - £70,000	<u>1</u>	<u>1</u>

Employer contributions for the year for the provision of a defined contribution scheme for the employee with emoluments above £60,000 was £5,085 (2017: £5,134).

## 12 TANGIBLE FIXED ASSETS

<b>GROUP</b>	<b>Group</b>				
	Freehold property	Long leasehold	Plant and machinery	Motor vehicles	Totals
	£	£	£	£	£
<b>COST</b>					
At 1st April 2017	1,235,000	360,000	1,135,194	10,726	2,740,920
Additions	-	-	39,863	9,970	49,833
Revaluations	-	-	-	-	-
Disposals	-	-	(6,245)	(10,726)	(16,971)
	<hr/>				
At 31st March 2018	1,235,000	360,000	1,168,812	9,970	2,773,782
	<hr/>				
<b>DEPRECIATION</b>					
At 1st April 2017	32,367	3,482	738,889	9,651	784,389
Charge for year	24,700	3,482	101,484	1,937	131,603
Eliminated on Revaluation	-	-	-	-	-
Eliminated on disposal	-	-	(6,189)	(9,719)	(15,908)
	<hr/>				
At 31st March 2018	57,067	6,964	834,184	1,869	900,084
	<hr/>				
<b>NET BOOK VALUE</b>					
At 31st March 2018	<u>1,177,933</u>	<u>353,036</u>	<u>334,628</u>	<u>8,101</u>	<u>1,873,698</u>
	<hr/>				
At 31st March 2017	<u>1,202,633</u>	<u>356,518</u>	<u>396,305</u>	<u>1,075</u>	<u>1,956,531</u>

CHARITY	Charity Freehold property	Long leasehold	Plant and machinery	Motor vehicles	Totals
	£	£	£	£	£
<b>COST</b>					
At 1st April 2017	1,235,000	360,000	1,092,486	-	2,687,486
Additions	-	-	36,649	-	36,649
Revaluations	-	-	-	-	-
Disposals	-	-	(6,245)	-	(6,245)
At 31st March 2018	<u>1,235,000</u>	<u>360,000</u>	<u>1,122,890</u>	<u>-</u>	<u>2,731,890</u>
<b>DEPRECIATION</b>					
At 1st April 2017	32,367	3,482	699,361	-	735,210
Charge for year	24,700	3,482	99,246	-	127,428
Eliminated on Revaluation	-	-	-	-	-
Eliminated on disposal	-	-	(6,189)	-	(6,189)
At 31st March 2018	<u>57,067</u>	<u>6,964</u>	<u>792,418</u>	<u>-</u>	<u>856,449</u>
<b>NET BOOK VALUE</b>					
At 31st March 2018	<u>1,177,933</u>	<u>353,036</u>	<u>330,472</u>	<u>-</u>	<u>1,861,441</u>
At 31st March 2017	<u>1,202,633</u>	<u>356,518</u>	<u>393,125</u>	<u>-</u>	<u>1,952,276</u>

## 12 TANGIBLE FIXED ASSETS - continued

On a historical cost basis the Freehold Property would be shown as:

	Group £
Historical cost	782,622
Depreciation	<u>18,273</u>
	<u>764,349</u>

On a historical cost basis the Leasehold Property would be shown as:

	£
Historical cost	262,885
Depreciation	<u>2,465</u>
	<u>260,420</u>



13 **Stock**

	<b>Group</b>		<b>Charity</b>	
	<b>2018</b>	<b>2017</b>	<b>2018</b>	<b>2017</b>
	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>
Closing Stock	41,615	37,668	-	-

14 **DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR**

	<b>Group</b>		<b>Charity</b>	
	<b>2018</b>	<b>2017</b>	<b>2018</b>	<b>2017</b>
	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>
Contracts and grant fees	354,570	426,961	346,761	419,029
Amounts owed by group undertakings	-	-	4,456	2,690
VAT	1,780	1,548	-	-
Other debtors	4,761	3,311	4,739	3,311
Prepayments	83,734	171,534	82,937	170,775
Accrued income	34,396	13,957	34,330	13,271
	<b>479,241</b>	<b>617,311</b>	<b>473,223</b>	<b>609,076</b>

15 **CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR**

	<b>Group</b>		<b>Charity</b>	
	<b>2018</b>	<b>2017</b>	<b>2018</b>	<b>2017</b>
	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>
Bank loans and overdrafts (see note 17)	18,064	19,777	18,064	19,777
Trade creditors	62,242	225,136	56,185	217,504
Amounts owed to group undertakings	-	-	-	1,138
Social security and other taxes	63,194	63,360	60,978	61,715
Other creditors	280	280	280	280
Pension fund	16,118	20,868	15,531	20,862
Accruals	199,369	133,818	195,351	129,839
Deferred income	338,592	273,889	260,958	252,999
	<b>697,859</b>	<b>737,128</b>	<b>607,347</b>	<b>704,114</b>

15 **CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR**

	<b>Group</b>		<b>Charity</b>	
	<b>2018</b>	<b>2017</b>	<b>2018</b>	<b>2017</b>
	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>
Bank loans (see note 17)	274,872	291,223	274,872	291,223
Pension Deficit	74,945	84,370	74,945	84,370
Deferred income	-	-	-	-
	<b>349,817</b>	<b>375,593</b>	<b>349,817</b>	<b>375,593</b>

16 **Deferred income**

<b>GROUP</b>	<b>Group</b>			<b>Balance at 31st March</b>
	<b>Balance at 1st April</b>	<b>Deferred</b>	<b>Released</b>	
	<b>2017</b>			<b>2018</b>
	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>
Contract and Grants	273,889	835,850	771,147	338,592
	<u>273,889</u>	<u>835,850</u>	<u>771,147</u>	<u>338,592</u>

Analysis of Deferred Income	<b>Group</b>			<b>Balance at 31st March</b>
	<b>Balance at 1st April</b>	<b>Deferred</b>	<b>Released</b>	
	<b>2017</b>			<b>2018</b>
	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>
Under one year	273,889	835,850	771,147	338,592
Two – five years	-	-	-	-
	<u>273,889</u>	<u>835,850</u>	<u>771,147</u>	<u>338,592</u>

<b>CHARITY</b>	<b>Charity</b>			<b>Balance at 31st March</b>
	<b>Balance at 1st April</b>	<b>Deferred</b>	<b>Released</b>	
	<b>2017</b>			<b>2018</b>
	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>
Contract and Grants	252,999	758,216	750,258	260,958
	<u>252,999</u>	<u>758,216</u>	<u>750,258</u>	<u>260,958</u>

Analysis of Deferred Income	<b>Charity</b>			<b>Balance at 31st March</b>
	<b>Balance at 1st April</b>	<b>Deferred</b>	<b>Released</b>	
	<b>2017</b>			<b>2018</b>
	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>
Under one year	252,999	758,216	750,258	260,958
Two – five years	-	-	-	-
	<u>252,999</u>	<u>758,216</u>	<u>750,258</u>	<u>260,958</u>

17 **MORTGAGE**

An analysis of the maturity of loans is given below:

	<b>Group</b>	
	<b>2018</b>	<b>2017</b>
	<b>£</b>	<b>£</b>
Amounts falling due within one year on demand:		
Bank loans	18,064	19,777
	<u>18,064</u>	<u>19,777</u>
Amounts falling due between two and five years:		
Bank loans - 2-5 years	274,872	291,223
	<u>274,872</u>	<u>291,223</u>

## 18 OPERATING LEASE COMMITMENTS

The following operating lease payments are committed to be paid:

Land and buildings	Group	
	2018	2017
	£	£
Expiring:		
Within one year	43,101	136,275
Between one and five years	104,495	64,874
	<hr/>	<hr/>
	147,596	201,149
	<hr/>	<hr/>

## 19 SECURED DEBTS

The following secured debts are included within creditors:

Bank loans	Group	
	2018	2017
	£	£
	292,936	311,000
	<hr/>	<hr/>

The mortgage is for a 12 year term with a variable rate of 2.85% over LIBOR with Handelsbanken and was taken out to part fund the purchase of the charity's new head office at 15-16 The Avenue. The bank has secured the debt by way of a formal charge over the property.

## 20 PROVISIONS FOR LIABILITIES

Office closure	Group	
	2018	2017
	£	£
	-	50,000
	<hr/>	<hr/>
	-	50,000
	<hr/>	<hr/>

Office closure - A provision for the additional rent and redecoration costs for Blackhorse house is no longer required as the lease was terminated in 2017.

21 **ANALYSIS OF NET ASSETS BETWEEN FUNDS**

	<b>Group</b>				<b>2017</b> Total funds
	<b>2018</b>		Endowment funds	Total funds	
	Unrestricted funds	Restricted funds			
	£	£	£	£	£
Fixed assets	1,232,662	-	641,036	1,873,698	1,956,531
Current assets	1,461,511	142,126	-	1,603,636	1,500,535
Current liabilities	(693,858)	(4,000)	-	(697,858)	(737,128)
Long term liabilities	(274,872)	-	-	(274,872)	(291,223)
Provision for liabilities	-	-	-	-	(50,000)
Pension liability	(74,945)	-	-	(74,945)	(84,370)
	<u>1,650,497</u>	<u>138,126</u>	<u>641,036</u>	<u>2,429,659</u>	<u>2,294,345</u>

22 **MOVEMENT IN FUNDS**

	<b>Group</b>		
	At 1.4.17	Net movement in funds	At 31.3.18
	£	£	£
<b>Unrestricted funds</b>			
General Fund	667,974	31,347	699,321
Designated reserves	278,743	(34,522)	244,221
General infrastructure reserve	179,355	206,645	386,000
Revaluation reserve	320,955	-	320,955
	<u>1,447,027</u>	<u>203,470</u>	<u>1,650,497</u>
<b>Restricted funds</b>			
Restricted operating funds	-	-	-
Property maintenance reserve	49,041	-	49,041
Marcella House legacy reserve	28,710	(1,962)	26,748
Fareham and Gosport reserve	81,047	(21,430)	59,617
MJB Charitable Trust funded projects	38,002	(35,282)	2,720
	<u>196,800</u>	<u>(58,674)</u>	<u>138,126</u>
<b>Endowment funds</b>			
Freehold property reserve	294,000	(6,000)	288,000
Leasehold property reserve	356,518	(3,482)	353,036
	<u>650,518</u>	<u>(9,482)</u>	<u>641,036</u>
<b>TOTAL FUNDS</b>	<u>2,294,345</u>	<u>135,314</u>	<u>2,429,659</u>

22 **MOVEMENT IN FUNDS - continued**

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

	<b>Group</b>			<b>Movement in funds</b>
	<b>Incoming resources</b>	<b>Resources expended</b>	<b>Transfer between funds</b>	
	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>
<b>Unrestricted funds</b>				
General Fund	5,720,707	(5,517,237)	(172,123)	31,347
Designated reserves	-	-	(34,522)	(34,522)
General infrastructure reserve	-	-	206,645	206,645
Revaluation reserve	-	-	-	-
	<b>5,720,707</b>	<b>(5,517,237)</b>	<b>-</b>	<b>203,470</b>
<b>Restricted funds</b>				
Restricted operating funds	-	-	-	-
Property maintenance reserve	-	-	-	-
Marcella House legacy reserve	-	(1,962)	-	(1,962)
Fareham and Gosport reserve	-	(21,430)	-	(21,430)
MJB Charitable Trust funded projects	77,374	(112,656)	-	(35,282)
	<b>77,374</b>	<b>(136,048)</b>	<b>-</b>	<b>(58,674)</b>
<b>Endowment funds</b>				
Freehold property reserve	-	(6,000)	-	(6,000)
Leasehold property reserve	-	(3,482)	-	(3,482)
	<b>-</b>	<b>(9,482)</b>	<b>-</b>	<b>(9,482)</b>
<b>TOTAL FUNDS</b>	<b>5,798,081</b>	<b>(5,662,767)</b>	<b>-</b>	<b>135,314</b>

## 22 MOVEMENT IN FUNDS - continued

### Unrestricted reserves

Designated reserves - represent funds set aside to support charity developments and to manage future uncertainties and potential liabilities.

General infrastructure reserve - funds set aside to cover losses in central income used to support Solent Mind's infrastructure.

### Restricted reserves

Property maintenance reserve - £49041 as current assets specifically for major capital repairs and improvements of Solent Mind's Endowment Freehold and Leasehold Property in relation to the MJB Charitable Trust property donations.

Marcella House legacy reserve - £26,748 as cash received in 2008-09 from a legacy to be used specifically in the Marcella House project.

Fareham and Gosport reserve - funds transferred on merger with Mind Fareham and Gosport: Net Current Assets £59,617

### Permanent Endowment funds

Freehold property reserve - £288,000 in relation to "The Hollies", a freehold property donated by MJB Charitable Trust.

Leasehold property reserve - £215,908 in relation to "Marcella House", a leasehold property and £137,128 in relation to "Abbey Close", another leasehold property donated by MJB Charitable Trust.

### Restrictions and conditions

Solent Mind undertakes to continue to use Marcella House and The Hollies as mental health centres except with the express consent in writing of the Transferor or their successors as trustees of the MJB Charitable Trust, such consent not to be unreasonably withheld.

In the unlikely event of the sale of the property 10 Abbey Close, any proceeds of sale shall be used for such purposes as the Transferors or their successors as trustees of the MJB Charitable Trust may agree in writing, such agreement not to be unreasonably withheld.

## 23 PENSION COMMITMENTS

Solent Mind operates a defined contribution pension scheme. The assets of the scheme are held separately from those of Solent Mind in a fund independently administered by the Pensions Trust. The total contributions in the year were £115,001 and £0 was outstanding at the year end.

### SCHEME: TPT Retirement Solutions – The Growth Plan

The company also participates in the Growth Plan scheme, a multi-employer scheme which provides benefits to some 1,300 non-associated participating employers. The scheme is a defined benefit scheme in the UK. It is not possible for the company to obtain sufficient information to enable it to account for the scheme as a defined benefit scheme. Therefore it accounts for the scheme as a defined contribution scheme.

The scheme is subject to the funding legislation outlined in the Pensions Act 2004 which came into force on 30 December 2005. This, together with documents issued by the Pensions Regulator and Technical Actuarial Standards issued by the Financial Reporting Council, set out the framework for funding defined benefit occupational pension schemes in the UK.

The scheme is classified as a 'last-man standing arrangement'. Therefore the company is potentially liable for other participating employers' obligations if those employers are unable to meet their share of the scheme deficit following withdrawal from the scheme. Participating employers are legally required to meet their share of the scheme deficit on an annuity purchase basis on withdrawal from the scheme.

A full actuarial valuation for the scheme was carried out at 30 September 2011. This valuation showed assets of £780m, liabilities of £928m and a deficit of £148m.

## Deficit contributions

Where the scheme is in deficit and where the company has agreed to a deficit funding arrangement the company recognises a liability for this obligation. The amount recognised is the net present value of the deficit reduction contributions payable under the agreement that relates to the deficit. The present value is calculated using the discount rate detailed in these disclosures. The unwinding of the discount rate is recognised as a finance cost.

	31-Mar-18	31-Mar-17	31-Mar-16
	(£s)	(£s)	(£s)
Present value of provision	74,945	84,370	89,106

### PRESENT VALUES OF PROVISION

### RECONCILIATION OF OPENING AND CLOSING PROVISIONS

	Period Ending	Period Ending
	31-Mar-18	31-Mar-17
	(£s)	(£s)
Provision at start of period	84,370	89,106
Unwinding of the discount factor (interest expense)	1,047	1,743
Deficit contribution paid	-9,377	-9,103
Remeasurements - impact of any change in assumptions	-1,095	2,624
Remeasurements - amendments to the contribution schedule	-	-
Provision at end of period	74,945	84,370

### INCOME AND EXPENDITURE IMPACT

	Period Ending	Period Ending
	31-Mar-18	31-Mar-17
	(£s)	(£s)
Interest expense	1,047	1,743
Remeasurements - impact of any change in assumptions	-1,095	2,624
Remeasurements - amendments to the contribution schedule	-	-
Contributions paid in respect of future service*	*	*
Costs recognised in income and expenditure account	*	*

\*includes defined contribution schemes and future service contributions (i.e. excluding any deficit reduction payments) to defined benefit schemes which are treated as defined contribution schemes. To be completed by the company.

## ASSUMPTIONS

	Period ending 31-Mar-18 % per annum	Period ending 31-Mar-17 % per annum	Period ending 31-Mar-16 % per annum
Rate of discount	1.71	1.32	2.07

The discount rates shown above are the equivalent single discount rates which, when used to discount the future recovery plan contributions due, would give the same results as using a full AA corporate bond yield curve to discount the same recovery plan contributions.

## 24 RELATED PARTY DISCLOSURES

Throughout the period Solent Mind was controlled ultimately by its members who meet annually at the Annual General Meeting. The Board of Trustees elected by the members governs the affairs of the charity between Annual General Meetings. Mayfield Nurseries owed a balance of £4,456 (2017: £2,690) at 31.3.18. Solent Mind owed a balance of £0 to Mayfield Nurseries (2017: £1,138) at 31.3.18.

On 1st April 2012 the finance and IT and related functions of Solent Mind and Mayfield Nurseries were transferred to Solent Support Solutions Limited a company which is jointly controlled by Solent Mind and Rose Road Association. Solent Support Solutions owed Solent Mind £1,402 (2017: £0) at 31.3.18 and Solent Mind owed Solent Support Solutions £794 (2017: £0) at 31.03.18.

## 25 CONTINGENT LIABILITIES

As at 31.03.18 Solent Mind has no contingent liabilities (None at 31.03.17).

## 26 POST BALANCE SHEET EVENTS

As at 31.03.18 Solent Mind has had no post balance sheet adjustments made (None at 31.03.17).

## 27 Net income from trading activities of subsidiary

The trading activities that generated income for Solent Mind in previous years have now been transferred to the wholly owned subsidiary Mayfield Nurseries. Mayfield Nurseries is a charity incorporated in the UK, and whose principal activity is the operation of Horticultural therapies and Members activities.

A summary of the trading results for Mayfield Nurseries is shown below. Audited financial statements have been filed with the Registrar of Companies.

	2018 £	2017 £
Turnover	276,666	235,261
Cost of sales	(56,196)	(66,428)
Gross profit	220,470	168,833
Operating and administrative expenses	(204,194)	(160,027)
Operating profit	16,276	8,806
Profits brought forward	79,206	70,400
Profits retained in subsidiary	95,482	79,206



28 RECONCILIATION OF NET INCOME TO NET CASH FLOW FROM OPERATING ACTIVITIES

	<b>Group</b>	
	<b>2018</b>	<b>2017</b>
	<b>£</b>	<b>£</b>
Net income for the reporting period (as per the statement of financial activities)	135,266	(113,323)
<b>Adjustments for:</b>		
Depreciation	131,603	137,179
Movement in Pension Deficit	48	4,736
Add Back Reserve Spending	-	-
(Gain)/loss on disposals	1,064	-
Less interest received	(744)	(2,165)
Decrease/(increase) in debtors	137,442	67,869
Decrease/(increase) in inventory	(3,947)	(3,937)
(Decrease)/increase in creditors	(132,434)	(160,449)
	-	-
<b>Net cash provided by (used in) operating activities</b>		
	<u>268,298</u>	<u>(70,090)</u>

