

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 2020
for
Solent Mind**

Solent Mind

**Contents of the Financial Statements
for the Year Ended 31st March 2020**

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Report of the Trustees for the Year Ended 31st March 2020

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 2020. 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).

STRUCTURE, GOVERNANCE AND MANAGEMENT

Governing document

The charity is controlled by its governing document, its Memorandum and Articles of Association, being a 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

John Wilderspin	Chair
Robin Goater	Treasurer
Sarah Clements Polly Hicks Sharon Hill Rachael Jessney	
Louise Goux-Wirth Bryan Palmer Julie Todd Jack Wiseman	Retired November 2019 Retired August 2019 Retired January 2020 Retired May 2019
Gareth George Nichola Gordon-Jones Emily Merrill Ruth Poyner Richard Pullen Haseeb Shakoor Gary Webb	Appointed September 2019 Appointed January 2020 Appointed January 2020 Appointed September 2019 Appointed January 2020 Appointed January 2020 Appointed September 2019

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 2020

Administration Information

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 & IT, 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 seeks to address identified skills gaps when appointing to vacancies. Vacancies are published, with applicants asked to describe how their skills and experiences match the person specification and role description. Shortlisted candidates are then interviewed by the Chair and the Chief Executive. Where it is agreed to proceed, they are invited to attend a meeting of the Trustee Board and then to apply to become members of Solent Mind prior to being formally co-opted as trustees and directors and formally appointed at the next AGM. This process led to the co-option in 2019-20 of 7 new trustees, being appointments to 3 existing vacancies and to vacancies created by the retirement of 4 Trustees in 2019-20. 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.

The Senior Management Team is made up of the Chief Executive, the Director of Finance & IT (Neil Evans), the Director of Services (Sue Forber), the Director of Human Resources & Communications (Debbie Prince) the Director of Quality & Improvement (Malcolm Barrett), and Business Development Director (Emma Fernandes) - a position introduced by the Board from 01.05.19. The Chief Executive salary for the year was £68,000. The total salaries of the other members of the Senior Management Team was £224,929

The following provided services to the charitable company during 2019-20:-

Auditors:

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

Bankers:

Unity Trust Bank, 4 Brindleyplace, Birmingham, B1 2JB.
Handelsbanken, 3 Carlton Crescent, Southampton SO15 2EY

Solicitors:

Lester Aldridge, Russell House, Oxford Road, Bournemouth, BH8 8EX
Shoosmiths, Forum 5, Parkway, Whiteley, Fareham, PO15 7PA
Moore Barlow, Gateway House, Tollgate, Chandler's Ford, Southampton, Eastleigh SO53 3TG

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Report of the Trustees for the Year Ended 31st March 2020

Structure, Governance and Management

Solent Mind is governed by a Trustee Board which meets every two months, with Sub Committees having specified areas of delegated authority; a Finance, Information, Risk & Compliance Subcommittee, the Business Development Subcommittee and People & Quality Subcommittee.

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.

The Trustees / Directors allocate an away day twice a year for their own training and development. In 2019-20 training and development sessions undertaken by the Board included the Trustees' responsibilities in managing the finances and resources of the Charity, governance, and the Mind Leadership Competency Framework. Trustees also take the opportunity to undertake other relevant conferences, training and networking events, reporting back learning gained to the Board as a whole – an example in 2019-20 being a report back from the Trustee and Chief Executive from the NCVO Annual Conference on equality, diversity and the state of the Charity Sector.

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. Board membership includes both male and female, a range of ages, lived experience of mental health issues and diverse backgrounds including BAME. We strive to represent as a board the communities we exist to serve.

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.

This year's AGM took place in October 2019, with business carried out as required by the Charity's Articles.

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. The successful completion of an annual 'health check' in 2019 ensure that MQM accreditation continues.

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 ("Hampshire Mind CIC") to deliver wellbeing services.

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 November 2019 and the Strategic Risk and Opportunity Register is monitored quarterly by the Finance, Information, Risk & Compliance Subcommittee, 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.

We have reviewed our safeguarding practice and Public Interest Disclosure (whistleblowing) policies in the year. All staff undertake safeguarding training in the first days of their employment and this is fully covered at our induction days which are held quarterly.

Volunteers:

Over 100 volunteers worked alongside 207 staff (as at 31st March 2020). We estimate that volunteers, excluding students and trustees gave 4,502 hours to Solent Mind over the past year. 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 has set out what we wanted to achieve for the organisation over the period to 2020:

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

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Report of the Trustees for the Year Ended 31st March 2020

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

Significant activities

We are an established provider of mental health services, and during 2019-20 provided support across 6 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
Talking Therapies	Low intensity psychological therapies across most of Hampshire via sub-contract with Southern Health NHS Foundation Trust
Support and Recovery	Employment Support Peer Support Education Veterans' Support Wellbeing
Wellbeing	Provision of services with an emphasis on integration. Includes physical and mental wellbeing, practical skills, community development, and horticultural therapy/ gardening on prescription
Peer Support	'Support with inspiration' provided by people with lived experience of mental health issues
Outreach and Education	Targeted work with young people and engagement with the wider communities we work within

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. We specifically target those who fare worst in the mental health system, including marginalised 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 Community Interest Company established with partners mentioned on page 4, 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 (Talking Therapies) service, and the Solent Recovery College. In 2019-20 we closed our Wellbeing Centre in Southsea, with the service evolving into the new Positive Minds service, operating from a modern city centre location. Positive Minds is an open access service offering an alternative to primary care for people experiencing emotional distress as a result of socially based crises, such as debt, housing issues and relationship breakdown. We continue to work with Southern Health NHS Foundation Trust to deliver the italk (Talking Therapies) service and were pleased to learn in 2019 that our contract for this work has been extended to 2022.

Trustees monitor the performance of all services, initially through the People and Quality Subcommittee. This includes both qualitative and quantitative evidence as to the impact that each service is making in support of our 2020 Vision and key strategic aims, and performance under our contracts for commissioned services. The material gathered includes numbers of people supported, waiting lists (if any) service user satisfaction, complaints and any safeguarding concerns. The Board has adopted a balanced scorecard approach, supplementing the service quality information with data relating to financial and HR performance. This gives the Board an overview of organisational performance in these key areas. In 2019-20, 16 complaints were received. All were resolved or taken through the Solent Mind's complaints procedure by year end.

Membership of Solent Mind, which can entitle people to vote at our AGM and receive periodic information about the charity, stood at 111 at 31.03.20, including 38 new members in the 19-20 year. We have carried out a review of our Membership this year, asking members to confirm their details and opt in to continuing their membership with over 52% deciding to remain members. We have been promoting membership via our website and social media, and continue to seek to enhance our offer to members.

We have maintained 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, Twitter and Instagram.

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Report of the Trustees for the Year Ended 31st March 2020

Achievements and Performance 2019/20

A year in numbers;

- Volunteers, excluding students and trustees gave 4,502 hours to Solent Mind over the past year
- 59,854 people visited our website, of which 80% were new visitors
- Our Upturn Children and Young People's project supported 124 young people in schools and colleges
- Over 1,063 people were supported through our Portsmouth Employment Services
- Our Wellbeing Centres helped over 3,276 people
- 19,922 people were supported through italk talking therapies
- Our Advocacy Service took over 6,981 referrals
- Peer support volunteers provided 2,649 hours of volunteering
- Community Peer Support Projects supported 2,001 people

During the year the Board monitored progress with implementation of the 2020 Development Plan, adopted in 2017 and through which the Board had identified eight areas of our business as priorities for development:

- Diversification of Income – growing the share of our income from independent sources, mindful of the reducing budgets in public authority commissioning under the Government's austerity programme;
- Campaigning and Influencing – applying our knowledge, expertise and lived experience to do more to reduce the incidence of people needing help with mental health issues;
- Research and Evaluation - measuring our social and economic impact, and how investment in prevention and early intervention can reduce the escalation of need and avoiding more costly interventions within the health and social care system;
- Diversity – as mental health issues present particular challenges for BAME and other minority and marginalised groups in our society, ensuring delivery of that part of our Vision stating that we won't give up until everyone experiencing a mental health problem gets both support and respect;
- Children and Young People - half of all mental health problems are established by the age of 14, and one in ten between the ages of 5 – 16 has a diagnosable condition. This part of our plan is about doing more to promote better life outcomes for children and young people;
- Digital – rethinking service delivery, fundraising, marketing and communications taking on board the digital opportunities available now and in the future;
- Communications - strengthening our arrangements to attract new corporate partners and promote awareness; and
- Workforce Wellbeing – ensuring the safety and wellbeing of staff and volunteers in face of pressures from commissioned services and organisational change

How have we done?

An online consultation survey of staff, stakeholders and partners carried out in October 2019 showed that 72% of respondents considered we were achieving the aims of our 2020 Vision. 90% of respondents have lived experience of mental health issues. There are numerous examples of how our approach has helped get from where we were in 2017 to the position where we aspired to be by 2020. Some highlights are:

- on Diversification of Income, in 2019-20 we generated income in the sum of £487k through fundraising, corporate partnerships, legacies and training to external bodies. This enables us to reinvest that income in services. In 2019-20 we recruited two dedicated and experienced trainers, to help us deliver training to corporate partners to raise awareness of mental health issues and promote better practice in managing workplace wellbeing.
- on Campaigning & Influencing, in 2019-20 we have worked with Southampton and Portsmouth City Council partners to deliver a regional hub for the Time to Change campaign, raising awareness of mental health issues and tackling stigma, principally through engaging people with lived experience as Time to Change 'champions'. We have also campaigned with national Mind and the Mind network to highlight the injustices experienced by people with mental health issues in the social housing system, through the 'Beyond Bricks' programme.
- in Digital matters, we implemented our new HR system, Itrent, introducing greater efficiency, resilience and risk mitigation in our payroll processes and internal efficiency through Employee Self Service. The next stage of this for delivery in 2020-21 will be our new recruitment portal. We have also continued the work towards development of our new website, agreeing the business case, specification and engagement of a design company. We look forward to its introduction in 2020-21 offering digital capability for communication and service delivery, further helping us in overcoming the constraints on face to face service delivery that will follow from Covid-19
- our work towards better Research and Evaluation has meant a new approach to performance monitoring with an increasing focus on community impact, and more consistency in assessing service user satisfaction, quality and outcomes.
- on Diversity, we are conscious that BAME and other marginalised communities are disproportionately impacted upon in the

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Report of the Trustees for the Year Ended 31st March 2020

experiencing of mental health issues and the accessing of appropriate services. In 2017, the Board made Equality & Diversity a specific work stream in its 2020 Development Plan, with the objective of making equality & diversity a live consideration in everything we do. An Equality & Diversity Group of Staff, and Lead Trustee for Equality & Diversity, have been appointed to advise on strategy and implementation, leading to the adoption by the Board of an Equality, Diversity & Inclusion Strategy in 2019. Action taken has included the Board undertaking training on diversity, in particular intersectionality and unconscious bias. Solent Mind plays a key role in promoting equality and diversity within the Mind Network, through the Diversity National Group, hosting a meeting of the Group in 2019 and sharing learning on the work we have carried out locally to engage the Nepalese community in the subject of better mental health. We have also self-assessed the ethnic composition of staff and service user base against that for our local communities. The Board acknowledges that there is still much more to be done however, and looks forward to continuing this work in 2020-21 and beyond, particularly as BAME and other marginalised communities stand to be further adversely affected by the deepening of existing health inequalities post-Covid 19.

- the renewal of important funding streams through continuation of the Portsmouth Support & Recovery Service and Remind (Dementia) Service Contracts, two year extension to our Italk contract and winning contracts for new services in Southampton, including Community Peer Navigation, Peer Support and a new crisis service, the Lighthouse.

What are the Challenges?

A major challenge we face continues to be the tension between resourcing the work necessary for the organisation to deliver high quality services and further evolve, while remaining sufficiently lean to remain competitive, and the potential impact of this on the wellbeing of our workforce. We are also acutely aware that we are a wellbeing organisation and that it is vital we live and demonstrate our values in this regard. Making Workforce Wellbeing one of our Development Plan work streams has meant welfare remains at the forefront of all we do, seeking external validations through the Workforce Wellbeing Index and achieving Investors in People Gold accreditation, with action plans generated from these forming a framework for action. 2019-20 saw us roll out 'Thrive', our new Workforce Wellbeing programme, and invest in a new Leadership Development Programme to support our Heads of Service. This challenge has been further heightened by the arrival of the Covid-19 pandemic, the impact of which is considered further below.

It is important also that we maintain a pace of change that is realistic and one which the organisation can sustain. This is where the development planning approach can help, by working towards a targeted number of agreed priority objectives over a period of years. We need to remember at all times though that it is within our gift to speed up, or slow down, the pace of change in any respect if we feel that this is the right thing to do for the organisation.

What are the Outcomes?

To what extent can we measure the progress of our developmental work in terms of better outcomes for people? Clearly this is a key consideration, and our work towards better Research and Evaluation has meant an increasing focus on community impact. In 2019-20, we have further evolved our approach to performance monitoring with new-style quarterly Service Review Meetings and a greater focus on reports that are evidencing the ways in which we are supporting people in the context of the three limbs of the 2020 Vision. The Board's core data dashboard and balanced scorecard approach monitors key quantitative factors including numbers of people supported, any waiting lists for services, and satisfaction and complaints levels, finding that generally service expectations and contract requirements have been met. The Board approved a new Quality Strategy, aiming for greater organisation-wide consistency in assessing service user satisfaction, quality and outcomes. We also commissioned NCVO to train our managers on methods of assessing community impact, and explored the introduction of Mind's shared evaluation framework for our services.

Refreshed Vision and Strategy 2020-23, and the Impact of Covid-19

Conscious that the end of our 2020 Vision and Strategy was approaching, a major piece of strategic work undertaken by the Board in 2019-20 has been to review the future needs of our beneficiary group within a fast changing operating environment, and research a new vision and strategy for 2020-23. A key element in this work has been a consultation exercise in October 2019, involving the completion of an online questionnaire by staff, service users and members of the Solent Mind community, with discussions at team meetings across the organisation and with external commissioners and partners. The outcomes from this work were considered by the Board at its meetings in November 2019 and January 2020, leading to the development of a refreshed vision and mission, and strategic planning framework comprising four fundamental pillars: high quality services, community partnerships, leading change and trust through excellence. This is being launched in 2020-21 with further refinement taking place to take into account the long term implications of Covid-19 for our beneficiary group. This is expected to include the deepening of existing health inequalities for certain groups in society, including BAME, children and young people, women, front line health and care workers, those facing financial pressures as a result of the economic impact of the pandemic and those generally experiencing social and economic deprivation. The pandemic also brings threats for the continued viability of parts of the charity sector. Our initial assessment is that our resilience, founded on relatively secure public authority contracts and sound financial governance, puts Solent Mind in a strong financial position compared to some, but we are conscious there is no room for complacency in this regard. We will continue to keep the situation under review as we seek to maximise the opportunities available to support our beneficiaries, always deploying our resources in the most effective way to fulfil our charitable purposes.

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Report of the Trustees for the Year Ended 31st March 2020

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 2019)', 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 £167,767 (18/19 £110,660).

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

Fareham & Gosport Wellbeing centre	(£2,958)
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The operating surplus for the year amounted to £170,726 this represents 2.73% of Total Incoming Resources for the year. (18/19 2.33%)

Total Net Incoming Resources	£167,767
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Also included in the Total Net Incoming Resources for 2019/20 is a deficit of (£22,908) made by Mayfield Nurseries.

Incoming Resources for the Year

Gross income for the group for the year totalled £6,253,866 an increase of £541,401 or 9% on last year 18/19.

The principal funding sources are derived from contract and grant income which accounts for 90% or £5,625,673 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.

Mayfield Nurseries gross income for the year totalled £270,148 a decrease of (£45,587) or 14% on last year (18/19) this was due to a reduction in both trading and donated income.

During 19/20, Solent Mind made an actuarial gain £642 on its defined benefit schemes compared to loss of (£783) in (18/19)

Resources Expended

Resources expended for the year totalled £6,086,741 an increase of £485,719 or 9% on last year 18/19.

Charitable Activities expenditure accounted for 93% or £5,679,333 of the Solent Mind's total resources expended.

Capital Expenditure

Solent Mind's group capital expenditure for the year amounted to £168,045 compared to 18/19 £83,924.

Funds

Total funds as at 31st March 2020 stand at £2,708,086 of which £1,946,128 relates to unrestricted funds, £115,886 relates to restricted funds and £646,072 relates to permanent endowment funds.

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Report of the Trustees for the Year Ended 31st March 2020

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 31st March 2020, in line with its policy to do so on an annual basis following detailed scrutiny and recommendations by its Finance, Information, Risk and Compliance Subcommittee, 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 £1,946,128 of which £1,315,907 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 £115,886 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. £26,748 is held in the Marcella House Legacy Reserve to be used specifically for the Marcella House Project. £5,254 is held in the MJB Charitable Trust Funded Projects Reserve to be used specifically for projects funded by the Trust. £34,843 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 £646,072 - 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.

The principal funding sources are derived from contract and grant income which accounts for 93% or £5,307,401 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.

COVID-19

Solent Mind acknowledges the difficult environment which it is currently operating in due to the onset of the pandemic COVID-19.

The impact on the financial performance for the year ending 31st March 2020 has been minimal, due to disruptions only beginning to occur partway through March 2020, but it is understood that this may change during the coming year 2020/21.

Solent Mind is in the fortunate position to be largely funded by local authority and NHS contracts, these funders are continuing to make payments as per our contractual agreements.

The biggest impact is likely to be the potential reduction in fundraising and trading income for the charity, this would be mitigated however by deferring recruitment to new or vacant posts and implementing a programme cost savings throughout the charity.

Solent Mind has sufficient reserves to cover uncertainties arising from COVID 19 but we will keep this situation under review in the light of any extension of the current restrictions, and/or any future changes to Government guidance.

Investment Policy

The Finance, Information, Risk and Compliance Subcommittee 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.

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**Report of the Trustees
for the Year Ended 31st March 2020**

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 on24/08/2020..... 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 2020 on pages thirteen to thirty five. 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 2020 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 we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. 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 ten, 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

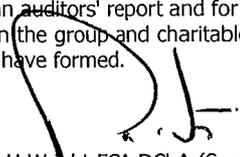
Our responsibilities for the audit of the financial statements

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. 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: 24/8/20

Solent Mind

Statement of Financial Activities
for the Year Ended 31st March 2020

	Notes	Group			2019
		2020	2020	2020	2019
		Unrestricted funds	Restricted funds	Endowment funds	Total funds
		£	£	£	£
INCOME AND ENDOWMENTS FROM					
Donations, Fundraising and legacies	2	257,700	-	-	257,700
Charitable activities					
Employment & IAPT	5	2,268,671	-	-	2,268,671
Portsmouth		1,115,837	-	-	1,115,837
Peer Support		216,652	30,908	-	247,560
Advocacy		990,581	-	-	990,581
Wellbeing		913,926	66,738	-	980,664
Therapy and Training		124,522	-	-	124,522
Other Charitable Activities		22,361	-	-	22,361
					-
Other trading activities					
Plant and Cafe Sales	3	124,646	-	-	124,646
Other Income		116,023	-	-	116,023
					-
Investment income	4	5,301	-	-	5,301
Total		6,156,220	97,646	-	6,253,866
EXPENDITURE ON					
Raising funds	6				
- Donations, Legacies and Fundraising		114,475	0	0	114,475
- Trading Activities		224,713	0	0	224,713
Charitable activities					
Employment & IAPT	7	2,251,892	0	0	2,251,892
Portsmouth		1,033,091	0	0	1,033,091
Peer Support		210,293	30,908	0	241,201
Advocacy		1,068,918	0	0	1,068,918
Wellbeing		911,369	68,246	3,482	983,097
Therapy and Training		150,751	0	0	150,751
Other Charitable Activities		18,603	0	0	18,603
Total		5,984,105	99,154	3,482	6,086,741
NET INCOME		172,115	(1,508)	(3,482)	167,125

Solent Mind**Statement of Financial Activities
for the Year Ended 31st March 2020****Other recognised gains/(losses)**

Revaluation of Fixed Assets		-		-	-
Actuarial gains/(losses) on defined benefit schemes	642	-	-	642	(783)
Net movement in funds	172,757	(1,508)	(3,482)	167,767	110,660

RECONCILIATION OF FUNDS

Total funds brought forward	1,773,371	117,394	649,554	2,540,319	2,429,659
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TOTAL FUNDS CARRIED FORWARD

	1,946,128	115,886	646,072	2,708,086	2,540,319
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CONTINUING OPERATIONS

All income and expenditure has arisen from continuing activities.

Balance Sheet
At 31st March 2020

	Notes	Group		Charity	
		2020	2019	2020	2019
		£	£	£	£
FIXED ASSETS					
Tangible assets	12	1,966,226	1,906,440	1,952,584	1,889,197
CURRENT ASSETS					
Stock	13	29,195	28,575	-	-
Debtors	14	857,220	609,929	845,900	576,517
Cash at bank		846,121	1,166,053	757,295	1,074,217
TOTAL CURRENT ASSETS		1,732,536	1,804,557	1,603,195	1,650,734
CREDITORS - Amounts falling due within one year					
Creditors	15	(283,716)	(280,301)	(271,177)	(251,534)
Deferred income	16	(270,155)	(421,142)	(213,000)	(375,040)
Mortgage	17	(23,583)	(20,814)	(23,583)	(20,814)
NET CURRENT ASSETS		1,155,082	1,082,300	1,095,435	1,003,346
TOTAL ASSETS LESS CURRENT LIABILITIES		3,121,308	2,988,740	3,048,019	2,892,543
CREDITORS - Amounts falling due after more than one year					
Mortgage		(227,706)	(251,298)	(227,706)	(251,298)
PROVISIONS FOR LIABILITIES	20	(131,053)	(131,053)	(131,053)	(131,053)
PENSION LIABILITY	23	(54,463)	(66,070)	(54,463)	(66,070)
NET ASSETS		2,708,086	2,540,319	2,634,797	2,444,122
FUNDS					
Unrestricted funds	22	1,625,173	1,452,417	1,551,884	1,356,219
Revaluation Reserve		320,955	320,955	320,955	320,955
Restricted funds		115,886	117,394	115,886	117,394
Endowment funds		646,072	649,554	646,072	649,554
TOTAL FUNDS		2,708,086	2,540,319	2,634,797	2,444,122

Solent Mind (Registered number: 4004500)

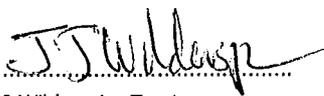
Balance Sheet - continued
At 31st March 2020

These financial statements have been prepared in accordance with the special provisions of Part 15 of the Companies Act 2006 relating to small charitable companies.

The financial statements were approved by the Board of Trustees on24/08/2020..... and were signed on its behalf by:



R Goater -Trustee



J Wilderspin -Trustee

**Cash Flow Statement
for the Year Ended 31st March 2020**

	Notes	Group 2020 £	2019 £
Cash flows from operating activities:			
Cash generated from operations	28	(181,431)	143,732
Net cash provided by (used in) operating activities		(181,431)	143,732
Cash flows from investing activities:			
Purchase of tangible fixed assets		(168,045)	(83,924)
Sale of tangible fixed assets		2,778	768
Gain on defined benefit pension plan		642	(783)
Interest received		5,301	2,657
Net cash provided by (used in) investing activities		(159,324)	(81,282)
Cash flows from financing activities:			
Mortgage Repayments		20,823	20,824
Expenditure attributable to endowment		-	-
Net cash provided by (used in) financing activities		20,823	20,824
Change in cash and cash equivalents in the reporting period		(319,932)	83,274
Cash and cash equivalents at the beginning of the reporting period		1,166,053	1,082,780
Cash and cash equivalents at the end of the reporting period		846,121	1,166,053

**Notes to the Financial Statements
for the Year Ended 31st March 2020**

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 2019)', 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	- No depreciation is charged
Long leasehold	- In accordance with the lease
IT Equipment	-25% on cost
Motor vehicles	-25% on reducing balance
Capitalised Software	-10 to -20% on cost
Fixtures and Fittings	-20% on cost
Office Equipment	-20% on cost
Building Adaptations	-10% 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.

Capital 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.

Solent Mind

**Notes to the Financial Statements - continued
for the Year Ended 31st March 2020**

2 DONATIONS AND LEGACIES

	Group	
	2020	2019
	£	£
Donations	109,391	82,045
Fundraising events	148,309	110,265
Total Donated income	257,700	192,310

3 OTHER TRADING ACTIVITIES

	Group	
	2020	2019
	£	£
Lease/room hire income	23,547	17,970
Consultancy and training	80,006	50,131
Plant and Cafe Sales	124,646	133,566
Plant hire	2,340	2,280
Members income	10,130	6,150
Total Trading income	240,669	210,097

4 INVESTMENT INCOME

	Group	
	2020	2019
	£	£
Deposit account interest	5,301	2,657

5 INCOME FROM CHARITABLE ACTIVITIES

		Group	
		2020	2019
Activity		£	£
Contract	Employment & IAAPT	2,268,671	2,244,257
Contract and Grants	Portsmouth	1,115,837	898,754
Grants	Peer Support	247,560	174,959
Contract	Advocacy	990,581	924,219
Contract and Grants	Wellbeing	980,664	878,255
Grants	Therapy and Training	124,522	125,011
Grants	Other Charitable Activities	22,361	61,946
Total income from Charitable Activities		5,750,196	5,307,401

		£	Group	
Southampton City Council SS	Contract		328,344	321,984
Hampshire County Council SS	Contract		885,123	787,132
Southern Health NHS FT	Contract		2,292,950	2,244,257
Portsmouth City Council	Contract		286,435	419,999
West Hampshire CCG	Contract		1,979	-
DWP - Access to Work	Contract		1,702	160
Personalisation	Contract		20,954	27,291
Individual Service Contracts	Contract		46,869	46,830
Andover Mind	Contract		-	-
University of Southampton	Contract		3,971	-
Solent NHS Trust	Contract		908,185	658,074
Southampton City CCG	Contract		32,500	-
Hampshire Mind CIC	Contract		476,756	460,700
Southampton Voluntary Services	Contract		30,000	-
Solent NHS Trust	Grant		90,997	-
Hampshire Mind CIC	Grant		-	13,282
Mind	Grant		49,957	38,299
Southampton City Council SS	Grant		53,636	89,932
Hampshire County Council SS	Grant		-	4,751
Southern Cooperative	Grant		20,789	31,500
NHS West Hampshire CCG	Grant		13,000	11,908
The Princes Trust	Grant		23,631	-
MJB	Grant		78,908	77,585
Police and Crime Commissioner	Grant		11,250	3,750
Zurich	Grant		9,400	9,000
Legends	Grant		-	30,000
Peoples health lottery	Grant		3,684	16,231
Comic relief	Grant		22,182	9,905
National Lottery	Grant		7,907	-
Time GB Group	Grant		18,343	-
Other Contracts and Grants	Other		30,744	4,831
Total income from Charitable Activities			5,750,196	5,307,401

6 RAISING FUNDS

Raising donations and legacies

	Group	
	2020	2019
	£	£
Staff costs	81,482	61,606
Other direct costs	14,333	14,981
Support costs	18,142	25,614
Governance costs	518	1,345
Other operating leases	-	-
Total Raising Funds costs	114,475	103,546

Trading Activities

	Group	
	2020	2019
	£	£
Staff costs	158,407	72,881
Other direct costs	54,253	54,310
Support costs	6,531	22,915
Governance costs	147	4,089
Other operating leases	5,375	15,050
Total Trading costs	224,713	169,245

7 CHARITABLE ACTIVITIES COSTS

	Group		
	Direct costs	Support costs	Totals
	(See note 8)		
	£	£	£
Employment & IAPT	1,835,721	416,171	2,251,892
Portsmouth	823,198	209,893	1,033,091
Home Based	-	-	-
Peer Support	194,838	46,363	241,201
Advocacy	882,843	186,075	1,068,918
Wellbeing	797,782	185,315	983,097
Therapy and Training	149,272	1,479	150,751
Other Charitable Activities	14,428	4,175	18,603
Total Charitable Activity costs	4,698,082	1,049,471	5,747,553

8 SUPPORT COSTS

	Human resources, admin and comms £	Governance costs £	Group		Information technology £	2020 Total	2019 Total
			Management £	Finance £			
Employment & IAPT	174,992	11,080	73,716	63,246	93,137	416,171	371,989
Portsmouth	88,256	5,589	37,178	31,897	46,973	209,893	151,075
Home Based	-	-	-	-	-	-	-
Peer Support	19,494	1,235	8,212	7,046	10,376	46,363	29,912
Advocacy	78,241	4,954	32,959	28,278	41,643	186,075	153,925
Wellbeing	77,922	4,933	32,825	28,162	41,473	185,315	149,760
Therapy and Training	210	331	238	560	140	1,479	17,349
Other Charitable Activities	1,756	111	740	634	934	4,175	-
Trading Activities	2,449	431	1,162	1,308	1,328	6,678	26,976
Raised Funds	7,817	518	3,304	2,860	4,161	18,660	26,945
Total Support costs	451,137	29,182	190,334	163,991	240,165	1,074,809	927,931

8 SUPPORT COSTS - continued

Solent Mind charges its main activities (Employment & IAPT, Portsmouth, Home Based Support, Peer Support, Advocacy, 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):

	Group	
	2020 £	2019 £
Auditors' remuneration	11,076	11,104
Depreciation - owned assets	105,481	46,099
Other operating leases	147,289	81,358

10 TRUSTEES' REMUNERATION AND BENEFITS

There were no trustees' remuneration or other benefits for the year ended 31st March 2020 nor for the year ended 31st March 2019.

Trustees' expenses

Solent Mind - Travel expenses totalling £360 (2019: £63) were reimbursed to three 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

	Group	
	2020	2019
	£	£
Wages and salaries	3,916,219	3,501,085
Social security costs	289,697	263,060
Other pension costs	123,640	114,197
Total Staff costs	4,329,556	3,878,342

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

	Group	
	2020	2019
Charitable activities	153	150
Governance and support	10	6
Total Average Employees	163	156

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

	Group	
	2020	2019
£60,001 - £70,000	1	1

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

GROUP	Freehold property	Long leasehold	Plant and machinery	Motor vehicles	Totals
	£	£	£	£	£
COST					
At 1st April 2019	1,235,000	360,000	1,221,710	9,970	2,826,680
Additions	-	-	168,045	-	168,045
Revaluations	-	-	-	-	-
Disposals	-	-	(285,112)	-	(285,112)
At 31st March 2020	1,235,000	360,000	1,104,643	9,970	2,709,613
DEPRECIATION					
At 1st April 2019	-	10,446	905,900	3,895	920,241
Charge for year	-	3,482	100,480	1,519	105,481
Eliminated on Revaluation	-	-	-	-	-
Eliminated on disposal	-	-	(282,335)	-	(282,335)
At 31st March 2020	-	13,928	724,045	5,414	743,387
NET BOOK VALUE					
At 31st March 2020	1,235,000	346,072	380,598	4,556	1,966,226
At 31st March 2019	1,235,000	349,554	315,810	6,075	1,906,440

CHARITY	Freehold property	Long leasehold	Charity		Totals
			Plant and machinery	Motor vehicles	
	£	£	£	£	£
COST					
At 1st April 2019	1,235,000	360,000	1,166,562	-	2,761,562
Additions	-	-	166,775	-	166,775
Revaluations	-	-	-	-	-
Disposals	-	-	(285,112)	-	(285,112)
At 31st March 2020	1,235,000	360,000	1,048,225	-	2,643,225

DEPRECIATION

At 1st April 2019	-	10,446	861,920	-	872,366
Charge for year	-	3,482	97,128	-	100,610
Eliminated on Revaluation	-	-	-	-	-
Eliminated on disposal	-	-	(282,335)	-	(282,335)
At 31st March 2020	-	13,928	676,713	-	690,641
NET BOOK VALUE	1,235,000	346,072	371,512	-	1,952,584
At 31st March 2020					
At 31st March 2019	1,235,000	349,554	304,642	-	1,889,197

12 TANGIBLE FIXED ASSETS - continued

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

	Group
	£
Historical cost	921,500
Depreciation	194,011
	<hr/>
Total Freehold Property historical cost NBV	727,489

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

	£
Historical cost	290,000
Depreciation	34,510
	<hr/>
Total Leasehold Property historical cost NBV	255,490

13 Stock

	Group		Charity	
	2020	2019	2020	2019
	£	£	£	£
Closing Stock	29,195	28,575	-	-

14 DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	Group		Charity	
	2020	2019	2020	2019
	£	£	£	£
Contracts and grant fees	615,448	472,212	604,464	463,072
Amounts owed by group undertakings	179	-	3,905	4,476
VAT	100	490	-	-
Other debtors	91,718	5,149	89,039	2,653
Prepayments	105,268	100,108	104,090	87,114
Accrued income	44,507	23,018	44,402	19,202
Total Debtors	857,220	600,977	845,900	576,517

15 CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	Group		Charity	
	2020	2019	2020	2019
	£	£	£	£
Trade creditors	101,589	105,158	95,887	85,320
Amounts owed to group undertakings	-	-	81	-
Social security and other taxes	69,515	64,339	66,336	61,872
Other creditors	452	625	452	625
Accruals	87,303	92,662	84,304	86,952
Pension fund	24,857	17,517	24,117	16,765
Total Creditors	283,716	280,301	271,177	251,534
Bank loans and overdrafts (see note 17)	23,583	20,814	23,583	20,814
Deferred income	270,155	421,142	213,000	375,040
Creditors - Falling Due within one year	577,454	722,257	507,760	647,388

15 CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR

	Group		Charity	
	2020	2019	2020	2019
	£	£	£	£
Bank loans (see note 17)	227,706	251,298	227,706	251,298
Pension Deficit	54,463	66,070	54,463	66,070
Provisions	131,053	131,053	131,053	131,053
Creditors - Falling Due after one year	413,222	448,421	413,222	448,421

16 Deferred income**Group**

	Balance at 1st April 2019	Deferred	Released	Balance at 31st March 2020
	£	£	£	£
Contract and Grants	421,142	359,836	(510,823)	270,155
Total Deferred income	421,142	359,836	(510,823)	270,155

Analysis of Deferred Income	Balance at 1st April 2019	Deferred	Released	Balance at 31st March 2020
	£	£	£	£
Under one year	421,142	359,836	(510,823)	270,155
Two – five years	-	-	-	-
Total Deferred income	421,142	359,836	(510,823)	270,155

	Balance at 1st April 2019	Charity Deferred	Released	Balance at 31st March 2020
	£	£	£	£
Contract and Grants	375,040	278,002	(440,042)	213,000
Total Deferred income	375,040	278,002	(440,042)	213,000

Analysis of Deferred Income	Balance at 1st April 2019	Deferred	Released	Balance at 31st March 2020
	£	£	£	£
Under one year	375,040	278,002	(440,042)	213,000
Two – five years	-	-	-	-
Total Deferred income	375,040	278,002	(440,042)	213,000

17 LOANS

An analysis of the maturity of loans is given below:

	Group	
	2020	2019
	£	£
Amounts falling due within one year on demand:		
Bank loans	23,583	20,814
	<u>23,583</u>	<u>20,814</u>
Amounts falling due between two and five years:		
Bank loans - 2-5 years	227,706	251,298
	<u>227,706</u>	<u>251,298</u>
Total loan value	251,289	272,112

18 OPERATING LEASE COMMITMENTS

	Group	
	2020	2019
	£	£
Land and buildings		
Expiring:		
Within one year	21,850	26,199
Between one and five years	125,439	55,159
	<u>147,289</u>	<u>81,358</u>
Total Operating Lease commitments	147,289	81,358

19 SECURED DEBTS

	Group	
	2020	2019
	£	£
Bank loans	251,289	272,112
	<u>251,289</u>	<u>272,112</u>

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

	Group	
	2020	2019
	£	£
italk - contract underperformance	55,077	55,077
italk - Staffing	75,976	75,976
	<u>131,053</u>	<u>131,053</u>
Total Provisions	131,053	131,053

21 ANALYSIS OF NET ASSETS BETWEEN FUNDS

	Group				
	2020			2019	
	Unrestricted funds £	Restricted funds £	Endowment funds £	Total funds £	
Fixed assets	1,320,154	-	646,072	1,966,226	1,906,440
Current assets	1,629,328	115,886	-	1,745,214	1,804,557
Current liabilities	(590,133)	-	-	(590,133)	(722,257)
Long term liabilities	(227,706)	-	-	(227,706)	(251,298)
Provision for liabilities	(131,053)	-	-	(131,053)	(131,053)
Pension liability	(54,463)	-	-	(54,463)	(66,070)
Total Funds	1,946,127	115,886	646,072	2,708,085	2,540,319

22 MOVEMENT IN FUNDS

	Group		
	At 1.4.19	Net movement in funds	At 31.3.20 £
Unrestricted funds			
General Fund	663,829	172,757	836,586
Designated reserves	402,587	-	402,587
General infrastructure reserve	386,000	-	386,000
Revaluation reserve	320,955	-	320,955
	1,773,371	172,757	1,946,128
Restricted funds			
Restricted operating funds	-	-	-
Property maintenance reserve	49,042	-	49,042
Marcella House legacy reserve	26,748	-	26,748
Fareham and Gosport reserve	37,400	(2,558)	34,842
MJB Charitable Trust funded projects	4,204	1,050	5,254
	117,394	(1,508)	115,886
Endowment funds			
Freehold property reserve	300,000	-	300,000
Leasehold property reserve	349,554	(3,482)	346,072
	649,554	(3,482)	646,072
TOTAL FUNDS	2,540,319	167,767	2,708,086

22 **MOVEMENT IN FUNDS - continued**

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

	Incoming resources £	Resources expended £	Group Transfer between funds £	Movement in funds £
Unrestricted funds				
General Fund	6,156,862	(5,984,105)		172,757
Designated reserves	-	-		-
General infrastructure reserve	-	-	-	-
Revaluation reserve	-	-	-	-
	<hr/>	<hr/>		<hr/>
	6,156,862	(5,984,105)		172,757
Restricted funds				
Mayfield Nurseries reserve	-	-	-	-
Property maintenance reserve	-	-	-	-
Marcella House legacy reserve	-	-	-	-
Fareham and Gosport reserve	18,738	(21,296)	-	(2,558)
MJB Charitable Trust funded projects	50,257	(49,207)	-	1,050
	<hr/>	<hr/>		<hr/>
	68,995	(70,503)	-	(1,508)
Endowment funds				
Freehold property reserve	-	-	-	-
Leasehold property reserve	-	(3,482)	-	(3,482)
	<hr/>	<hr/>		<hr/>
	-	(3,482)	-	(3,482)
	<hr/>	<hr/>		<hr/>
TOTAL FUNDS	<hr/> <hr/>	<hr/> <hr/>		<hr/> <hr/>
	6,225,857	(6,058,090)		167,767

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 - £49,041 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 £34,842

MJB Charitable Trust funded projects - funds held £5,254

Permanent Endowment funds

Freehold property reserve - £300,00 in relation to "The Hollies", a freehold property donated by MJB Charitable Trust.

Leasehold property reserve - £211,816 in relation to "Marcella House", a leasehold property and £134,526 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 £ and £ was outstanding at the year end.

SCHEME: TPT Retirement Solutions – The Growth Plan

The company participates in the scheme, a multi-employer scheme which provides benefits to some 950 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 2017. This valuation showed assets of £794.9m, liabilities of £926.4m and a deficit of £131.5m. To eliminate this funding shortfall, the Trustee has asked the participating employers to pay additional contributions to the scheme as follows:

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-20	31-Mar-19	31-Mar-18
	(£s)	(£s)	(£s)
Present value of provision	54,464	66,070	74,945
PRESENT VALUES OF PROVISION			

RECONCILIATION OF OPENING AND CLOSING PROVISIONS

	Period Ending	Period Ending
	31-Mar-20	31-Mar-19
	(£s)	(£s)
Provision at start of period	66,070	74,945
Unwinding of the discount factor (interest expense)	835	1,199
Deficit contribution paid	-10,964	-9,658
Re-measurements - impact of any change in assumptions	-1,477	604
Re-measurements - amendments to the contribution schedule	-	-1,020
Provision at end of period	54,464	66,070

INCOME AND EXPENDITURE IMPACT

	Period Ending	Period Ending
	31-Mar-20	31-Mar-19
	(£s)	(£s)
Interest expense	835	1,199
Remeasurements – impact of any change in assumptions	-1,477	604
Remeasurements – amendments to the contribution schedule	-	-1,020
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

	31-Mar-20	31-Mar-19	31-Mar-18
	% per annum	% per annum	% per annum
Rate of discount	2.53	1.39	1.71

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 Executive Committee elected by the members governs the affairs of the charity between Annual General Meetings.

Mayfield Nurseries owed a balance of £3,726 (2019: £4,476) at 31.3.20.

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 £1,262 (2018: £1,402) at 31.3.19 and Solent Mind owed Solent Support Solutions £5,483 (2018: £794) at 31.03.19.

25 CONTINGENT LIABILITIES

As at 31.03.20 Solent Mind has no contingent liabilities (None at 31.03.19).

26 POST BALANCE SHEET EVENTS

As at 31.03.20 Solent Mind has had no post balance sheet adjustments made (None at 31.03.19).

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.

	2020	2019
	£	£
Turnover	270,148	315,735
Cost of sales	(68,291)	(78,115)
Gross profit	201,857	237,620
Operating and administrative expenses	(224,765)	(236,905)
Operating profit	(22,908)	715
Profits brought forward	96,197	95,482
Profits retained in subsidiary	73,289	96,197

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

	Group	
	2020	2019
	£	£
Net income for the reporting period (as per the statement of financial activities)	167,125	111,443
Adjustments for:		
Depreciation	105,481	46,099
Movement in Pension Deficit	642	(783)
Add Back Reserve Spending	-	-
(Gain)/loss on disposals	-	4,316
Less interest received	(5,301)	(2,657)
Decrease/(increase) in debtors	(255,494)	(121,756)
Decrease/(increase) in inventory	(620)	13,040
(Decrease)/increase in creditors	(193,264)	94,030
	-	-
Net cash provided by (used in) operating activities	(181,431)	143,732