

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 2019
for
Solent Mind**

Contents

Report of the Trustees2

Report of the Independent Auditors to the Members of Solent Mind11

Statement of Financial Activities13

Balance Sheet15

Cash Flow Statement16

Notes to the Financial Statements19

Solent Mind

Report of the Trustees for the Year Ended 31st March 2019

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 2019. 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, retired October 2018
John Wilderspin	Chair, elected October 2018
Richard Coundley	Vice Chair, retired January 2019
Peter Hanlon	Treasurer, retired October 2018
Robin Goater	Treasurer, elected October 2018
Fiona Hartfree	Retired May 2018

Bryan Palmer	Retired 24 July 2019
Julie Todd	
Jack Wiseman	Retired 29 May 2019
Sarah Clements	
Louise Goux-Wirth	
Polly Hicks	
Sharon Hill	
Rachel Jessney	

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 2019

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, 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. The process followed is through targeted advertising in specialist media and charity websites, 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 or their deputy 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 of 2 new trustees. 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 and IT (Neil Evans), the Director of Services (Malcolm Barrett and Sue Forber (job share) to 31.10.18/ Sue Forber from 01.11.18), the Director of Human Resources (Debbie Prince) and the Director of Quality & Improvement (Malcolm Barrett) a new position introduced by the Board from 01.11.18. The Chief Executive salary for the year was £66,000. The total salaries of the other members of the Senior Management Team was £165,000

The following provided services to the charitable company during 2018-19:-

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, 11 The Avenue, Southampton, SO17 1XF

Solent Mind

Report of the Trustees for the Year Ended 31st March 2019

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 carried out a governance review, to ensure the requirements of the Charity Governance Code were being met. The Board also received training on issues including safeguarding, diversity and leadership.

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. Two of our trustees are specifically designated as equality and diversity trustees. These trustees engage with the Senior Management Team as part of an equality and diversity working group and our local community groups.

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.

At the AGM in October 2018, the Chair and Treasurer both retired, having completed their terms of office, and a new Chair and Treasurer were elected by the company's membership.

The organisation is managed through a Trustee Board which meets every two months, with Sub Committees having specified areas of delegated responsibility. Certain changes were made to the Subcommittee structure in 2018-19, following the Board's governance review: the Audit, Finance and Remuneration Subcommittee was replaced by a Finance, Information, Risk & Compliance Subcommittee, reflecting the Board's growing responsibilities in relation to risk and information governance; the Strategy and Development and People and Quality Subcommittees continued with minor changes to their terms of reference.

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.

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 November 2018 and the Strategic Risk and Opportunity Register 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 the first days of their employment and this is fully covered at our induction days which are held quarterly.

Volunteers:

130 volunteers worked alongside 200 staff (198 as at 31st March 2018). We estimate, that including trustees and students, they worked more than 14,500 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.

Solent Mind

Report of the Trustees for the Year Ended 31st March 2019

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

Significant activities

We are an established provider of mental health services, and during 2018-19 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 Support, Time and Recovery 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 the council areas across Southampton, Hampshire, and 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 minority communities.

Solent Mind

Report of the Trustees for the Year Ended 31st March 2019

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 5, 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 Solent Recovery College, and a Wellbeing Centre in Southsea operating until 31.03.19. This contract has been renewed in 2019-20, under which the Wellbeing centre is planned to be replaced by a new Wellbeing House service in the city. 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 Subcommittee. The arrangements for this were further reviewed in 2018-19, extending the pre-existing approach that focused on Key Performance Indicators (KPIs) for services, to include both qualitative and quantitative evidence as to the impact that each service is making in support of our 2020 Vision and key strategic aims. The material gathered includes numbers of people supported, waiting lists (if any) service user satisfaction, complaints and any safeguarding concerns. The Board established an Impact Group to develop its approach in this area, and this led to the adoption of a balanced scorecard from January 2019, supplementing the service quality information with data relating to financial and HR performance. This gives the Board an overview of organizational performance in these key areas. In 2018-19, 12 complaints were received. All but one complaint were resolved or taken through all three stages of Solent Mind's complaints procedure by year end. One complaint subsequently completed all three stages of the complaints procedure following year end.

Members: Membership of Solent Mind, which can entitle people to vote at our AGM and receive periodic information about the charity, stood at 213 at 31.03.19. This is an increase of 49 (29.9%) 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.

Communication: 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 and Twitter. An Instagram account was added in 2018-19.

Achievements and Performance 2018/19

A year in numbers;

- Volunteers, excluding students and trustees gave 7828 hours to Solent Mind over the past year
- Over 44,000 people visited our website
- Our Upturn Children and Young Peoples project supported 123 young people in schools and colleges
- 665 people were supported through our Portsmouth Employment Service
- Our Wellbeing Centres helped 2304 people
- 13,920 people supported through italk talking therapies
- Our Advocacy Service took over 2,900 referrals
- Peer support volunteers provided over 2275 hours of volunteering

During the year the Board monitored progress with implementation of the 2020 Development Plan adopted in the previous year. The Board has 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 BME 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;

**Report of the Trustees
for the Year Ended 31st March 2019**

- 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?

There are numerous examples how our approach has helped get from where we were in 2017 - 2018 to a position closer to where we aspire to be by 2020. Some highlights are:

- on Diversification of Income, market analysis in 2017 led to increased investment, with a three year plan for increasing returns. In 2018-19 we exceeded an increased income generation target of £540,000 by a margin of £26,546 (5%). This enables us to reinvest that income in services.
- we worked with Mind to train our staff and develop a Campaigning & Influencing Strategy. We bid successfully with our Southampton and Portsmouth City Council partners to become a regional hub for the Time to Change campaign, which we will deliver in 2019-20. We will also campaign to promote skills for Children and Young People and parents to better manage mental wellbeing, and introduce a new service supporting families.
- in 2017-18 we adopted our first Digital Strategy, and in 2018-19 a business case for a new HR system, implementation of which will be completed in 2019-20. We will also develop a new website, offering digital capability for communication and service delivery.
- 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.
- adoption of our new Equality, Diversity and Inclusion Strategy, with implementation and monitoring a key priority for 2019-20
- we have secured renewal of important funding streams for 2019-20 and beyond through continuation of the Portsmouth Support & Recovery Service and Remind (Dementia) Service Contracts

What are the Challenges?

The main challenge we have faced, and will continue to face, is the tension between resourcing the work necessary for the organisation to evolve, while remaining sufficiently lean to remain competitive. Leadership, co-ordination, project management and, often, delivery of change generally falls upon the central services function, along with many other mainstream and day to day business activities.

The interest and participation of service-based staff and volunteers in our work streams has been strong, making it possible to utilise wider skills and experience, promote better internal communication and cross-service working, and engagement in change. However, for many the pressures on the front line to ensure good quality and timely service delivery acts as an inhibitor to involvement. Our approach has been to promote engagement also through Yammer groups, and to say that it doesn't matter how much or how little time you can give – what is important is that you recognise and want to be part of the change. Making Workforce Wellbeing one of our 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 will see us roll out the new Workforce Wellbeing programme, and introduce the new Leadership programme to support our Heads of Service.

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.

Solent Mind

Report of the Trustees for the Year Ended 31st March 2019

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 2018-19, supported by the Board's Impact Group referred to above, we have 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. In 2018-19 the Board also introduced a new core data dashboard and balanced scorecard approach, monitoring 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 with the exception of italk, where it has proved difficult over a sustained period to meet access targets in South East Hampshire. Work continues with our italk partner Southern Health to address this issue. The Board also invested in the post of Director of Quality & Improvement, and this will give us capacity in 2019-20 to bring forward a new Quality Strategy, ensuring greater organisation wide consistency in assessing service user satisfaction, quality and outcomes. We have also engaged NCVO to visit in 2019 to train our managers on methods of assessing community impact.

Beyond 2020

Attention will turn in 2019-20 to the next phase of vision and strategy planning, as we consider what type of organisation we wish to be by the middle years of the next decade. A wide range of factors will influence this, including the continuing turbulence of the economy, the opportunities presented by the NHS Long Term Plan, and our relationship with Mind, with suggestions of a possible national vision and overarching strategy for the Mind Network.

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 £110,660.

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

- | | |
|--------------------------------------|---------------|
| • Upturn Service | £20,000 |
| • Fareham & Gosport Wellbeing centre | <u>£2,217</u> |

Total investment from reserves	£22,217
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The operating surplus for the year amounted to £132,877 this represents 2.33% of Total Incoming Resources for the year.

Total Net Incoming Resources	£110,660
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Also Included in the Total Net Incoming Resources for 2018/19 is the £715 surplus made by Mayfield Nurseries.

Solent Mind

Report of the Trustees for the Year Ended 31st March 2019

Incoming Resources for the Year

Gross income for the group for the year totalled £5,712,465 a decrease of (£85,568) or (1.48%) on last year (17/18).

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.

Mayfield Nurseries gross income for the year totalled £315,735 an increase of £39,069 or 14% on last year (17/18) despite losses in contractual income overall income rose due to increases in both donated and grant income.

During 18/19, Solent Mind made an Actuarial loss on its defined benefit schemes of (£783) compared to gain of £48 in (17/18)

Resources Expended

Resources expended for the year totalled £5,601,022 a decrease of (£61,745) or (1.09%) on last year (17/18).

Charitable Activities expenditure accounted for 94% or £5,328,231 of the Solent Mind's total resources expended.

Capital Expenditure

Solent Mind's group capital expenditure for the year amounted to £83,924 compared to (17/18) £49,833.

Funds

Total funds as at 31st March 2019 stand at £2,540,319, of which £1,773,371 relates to unrestricted funds, £117,394 relates to restricted funds and £649,554 relates to permanent endowment funds.

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 2019, 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 £1,773,371, of which £1,256,886, relates to fixed assets held in general and revaluation reserves and £402,587 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 £117,394 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. £4,204 is held in the MJB Charitable Trust Funded Projects Reserve to be used specifically for projects funded by the Trust. £37,400 relates to funds from the merger with Fareham and Gosport Mind and is to be used in the Fareham and Gosport area only.

Solent Mind

Report of the Trustees for the Year Ended 31st March 2019

Reserves Policy

Permanent Endowment funds total £649,554 - 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.

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:

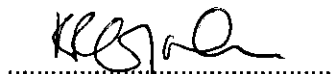
- there is no relevant audit information of which the charitable company's auditors are unaware; and
- the trustees have taken all steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditors are aware of that information.

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 on18/9/19..... and signed on its behalf by:



K R Gardner - Secretary

Solent Mind

Report of the Trustees for the Year Ended 31st March 2019

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 2019 on pages thirteen 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 2019 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.

Report of the Independent Auditors to the Members of Solent Mind

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.

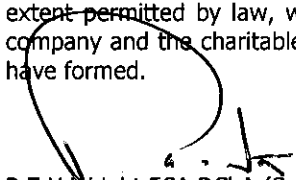
Our responsibilities for the audit of the financial statements

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: 18/9/14

**Statement of Financial Activities
for the Year Ended 31st March 2019**

		Group			2019	2018
		Unrestricted funds	Restricted funds	Endowment funds	Total funds	Total funds
	Notes	£	£	£	£	£
INCOME AND ENDOWMENTS FROM						
Donations, Fundraising and legacies	2	180,225	12,085	-	192,310	158,715
Charitable activities	5					
Employment & IAPT		2,244,257	-	-	2,244,257	2,266,353
Portsmouth		898,754	-	-	898,754	866,752
Home Based		-	-	-	-	112,248
Peer Support		174,959	-	-	174,959	160,708
Advocacy		924,219	-	-	924,219	933,579
Wellbeing		800,670	77,585	-	878,255	949,931
Therapy and Training		125,011	-	-	125,011	110,246
Other Charitable Activities		61,946	-	-	61,946	77,543
Other trading activities	3					
Plant and Cafe Sales		133,566	-	-	133,566	116,012
Other Income		76,531	-	-	76,531	45,202
Investment income	4	2,657	-	-	2,657	744
Total		5,622,795	89,670	-	5,712,465	5,798,033
EXPENDITURE ON						
Raising funds	6					
- Donations, Legacies and Fundraising		91,461	12,085	-	103,546	68,425
- Trading Activities		169,245	-	-	169,245	156,630
Charitable activities	7					
Employment & IAPT		2,244,038	-	-	2,244,038	2,188,992
Portsmouth		914,570	-	-	914,570	866,067
Home Based		0	-	-	0	126,309
Peer Support		182,399	-	-	182,399	140,329
Advocacy		964,725	-	-	964,725	989,459
Wellbeing		786,358	98,317	(8,518)	876,157	1,022,796
Therapy and Training		146,342	-	-	146,342	103,760
Total		5,499,138	110,402	(8,518)	5,601,022	5,662,767
NET INCOME		123,657	(20,732)	8,518	111,443	135,266
Other recognised gains/(losses)						
Revaluation of Fixed Assets		-	-	-	-	-
Actuarial gains/(losses) on defined benefit schemes		(783)	-	-	(783)	48

Solent Mind (Registered number: 4004500)

**Statement of Financial Activities
for the Year Ended 31st March 2019**

Net movement in funds	122,874	(20,732)	8,518	110,660	135,314
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RECONCILIATION OF FUNDS

Total funds brought forward	1,650,497	138,126	641,036	2,429,659	2,294,345
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TOTAL FUNDS CARRIED FORWARD

	1,773,371	117,394	649,554	2,540,319	2,429,659
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CONTINUING OPERATIONS

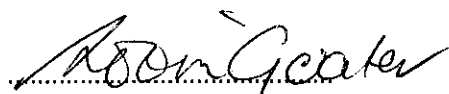
All income and expenditure has arisen from continuing activities.

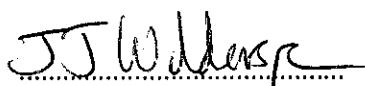
Balance Sheet
At 31st March 2019

		Group		Charity	
		2019	2018	2019	2018
	Notes	£	£	£	£
FIXED ASSETS					
Tangible assets	12	1,906,440	1,873,698	1,889,197	1,861,442
CURRENT ASSETS					
Stock	13	28,575	41,615	-	-
Debtors	14	609,929	479,241	576,517	473,223
Cash at bank		1,166,053	1,082,781	1,074,217	956,677
TOTAL CURRENT ASSETS		1,804,557	1,603,637	1,650,734	1,429,900
CREDITORS - Amounts falling due within one year					
Creditors	15	(280,301)	(341,203)	(251,534)	(328,325)
Deferred income	16	(421,142)	(338,592)	(375,040)	(260,958)
Mortgage	17	(20,814)	(18,064)	(20,814)	(18,064)
NET CURRENT ASSETS		1,082,300	905,778	1,003,346	822,553
TOTAL ASSETS LESS CURRENT LIABILITIES		2,988,740	2,779,476	2,892,543	2,683,994
CREDITORS - Amounts falling due after more than one year					
Deferred income	16	-	-	-	-
Mortgage	17	(251,298)	(274,872)	(251,298)	(274,872)
PROVISIONS FOR LIABILITIES	20	(131,053)	-	(131,053)	-
PENSION LIABILITY	23	(66,070)	(74,945)	(66,070)	(74,945)
NET ASSETS		2,540,319	2,429,659	2,444,122	2,334,177
FUNDS					
Unrestricted funds	22	1,452,416	1,329,542	1,356,219	1,234,060
Revaluation Reserve		320,955	320,955	320,955	320,955
Restricted funds		117,394	138,126	117,394	138,126
Endowment funds		649,554	641,036	649,554	641,036
TOTAL FUNDS		2,540,319	2,429,659	2,444,122	2,334,177

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 on18/9/19..... and were signed on its behalf by:


 R Goater -Trustee


 J Wilderspin -Trustee

**Cash Flow Statement
for the Year Ended 31st March 2019**

		Group	
		2019	2018
	Notes	£	£
Cash flows from operating activities:			
Cash generated from operations	28	143,732	268,298
Net cash provided by (used in) operating activities		143,732	268,298
Cash flows from investing activities:			
Purchase of tangible fixed assets		(83,924)	(49,833)
Sale of tangible fixed assets		768	-
Gain on defined benefit pension plan		(783)	(48)
Interest received		2,657	744
Net cash provided by (used in) investing activities		(81,283)	(49,137)
Cash flows from financing activities:			
Mortgage Repayments		20,824	18,064
Net cash provided by (used in) financing activities		20,824	18,064
Change in cash and cash equivalents in the reporting period		83,273	236,259
Cash and cash equivalents at the beginning of the reporting period		1,082,780	845,556
Cash and cash equivalents at the end of the reporting period		1,166,053	1,082,781

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	- No depreciation is charged
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.

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.

**Notes to the Financial Statements - continued
for the Year Ended 31st March 2019**

2 DONATIONS, FUNDRAISING AND LEGACIES

	Group 2019 £	2018 £
Donations	82,045	57,179
Fundraising events	110,265	101,536
	<u>192,310</u>	<u>158,715</u>

3 OTHER TRADING ACTIVITIES

	Group 2019 £	2018 £
Lease/room hire income	17,970	19,581
Consultancy and training	50,131	17,741
Plant and Cafe Sales	133,566	112,392
Plant hire	2,280	3,620
Members income	6,150	7,880
	<u>210,097</u>	<u>161,214</u>

4 INVESTMENT INCOME

	Group 2019 £	2018 £
Deposit account interest	2,657	744

5 INCOME FROM CHARITABLE ACTIVITIES

	Group 2019 £	2018 £
Contract	2,244,257	2,266,353
Contract and Grants	898,754	866,752
Contract and Grants	-	112,248
Grants	174,959	160,708
Contract	924,219	933,579
Contract and Grants	878,255	949,931
Grants	125,011	110,246
Grants	61,946	77,543
	<u>5,307,401</u>	<u>5,477,360</u>

	Group 2019 £	2018 £
Southampton City Council SS	321,984	371,523
Hampshire County Council SS	787,132	980,032
Southern Health NHS FT	2,244,257	2,339,106
Portsmouth City Council	419,999	419,999
DWP - Access to Work	160	7,230
Personalisation	27,291	31,843
Individual Service Contracts	46,830	33,558
Andover Mind	-	84,110
Solent NHS Trust	658,074	618,329
Southampton City CCG	-	13,000
Hampshire Mind CIC	460,700	258,217

Portsmouth City Council	Grant	-	-
Hampshire Mind CIC	Grant	13,282	-
National Mind	Grant	38,299	13,062
Southampton City Council SS	Grant	89,932	75,008
Hampshire County Council SS	Grant	4,751	74,300
Southern Cooperative	Grant	31,500	40,000
NHS West Hampshire CCG	Grant	11,908	12,879
Portsmouth City Council	Grant	-	4,375
MJB	Grant	77,585	77,374
Police and Crime Commissioner	Grant	3,750	-
Zurich	Grant	9,000	-
Legends	Grant	30,000	-
Peoples health lottery		16,231	-
Comic relief		9,905	-
Other Contracts and Grants	Other	4,831	23,415
		5,307,401	5,477,360

6 RAISING FUNDS

Raising donations and legacies

	Group	
	2019	2018
	£	£
Staff costs	61,606	34,392
Other direct costs	14,981	8,856
Support costs	25,614	24,523
Governance costs	1,345	654
Other operating leases	-	-
	103,546	68,425

Trading Activities

	Group	
	2019	2018
	£	£
Staff costs	72,881	84,618
Other direct costs	54,310	42,841
Support costs	22,915	16,429
Governance costs	4,089	4,729
Other operating leases	15,050	8,013
	169,245	156,630

7 CHARITABLE ACTIVITIES COSTS

	Direct costs	Group Support costs (See note 8)	Totals
	£	£	£
Employment & IAPT	1,872,049	371,989	2,244,038
Portsmouth	763,495	151,075	914,570
Home Based	-	-	-
Peer Support	152,487	29,912	182,399
Advocacy	810,800	153,925	964,725
Wellbeing	726,398	149,760	876,157

Therapy and Training	128,992	17,350	146,342
Other Charitable Activities	-	-	-
	<u>4,454,220</u>	<u>874,012</u>	<u>5,328,231</u>

8 SUPPORT COSTS

	Group					2019	2018
	Human resources, admin and comms	Governance costs	Management	Finance	Information technology	Total	Total
	£	£	£	£	£		
Employment & IAPT	133,132	10,819	69,319	68,612	90,107	371,989	369,335
Portsmouth	54,069	4,457	28,152	27,865	36,533	151,075	83,911
Home Based	-	-	-	-	-	-	102,811
Peer Support	10,705	882	5,574	5,517	7,233	29,912	10,646
Advocacy	55,089	4,541	28,683	28,391	37,221	153,925	142,766
Wellbeing	53,598	4,418	27,907	27,623	36,215	149,760	166,694
Therapy and Training	2,465	3,878	2,793	6,572	1,643	17,349	9,729
Other Charitable Activities	-	-	-	-	-	-	140
Trading Activities	6,197	3,913	4,625	8,103	4,138	26,976	12,254
Raised Funds	8,831	1,530	4,928	5,708	5,949	26,945	12,255
	<u>324,085</u>	<u>34,437</u>	<u>171,982</u>	<u>178,391</u>	<u>219,039</u>	<u>927,932</u>	<u>910,541</u>

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	
	2019 £	2018 £
Auditors' remuneration	11,104	10,046
Depreciation - owned assets	46,099	131,603
Other operating leases	81,358	147,595
	<u>138,561</u>	<u>289,244</u>

10 TRUSTEES' REMUNERATION AND BENEFITS

There were no trustees' remuneration or other benefits for the year ended 31st March 2019 nor for the year ended 31st March 2018.

Trustees' expenses

Solent Mind - Travel expenses totalling £356 (2018: £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	
	2019	2018
	£	£
Wages and salaries	3,501,085	3,396,394
Social security costs	263,060	258,960
Other pension costs	114,198	115,001
	<u>3,878,342</u>	<u>3,770,355</u>

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

	Group	
	2019	2018
Charitable activities	194	192
Governance and support	6	6
	<u>200</u>	<u>198</u>

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

	Group	
	2019	2018
£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 £1,984 (2018: £1,950).

Total Remuneration paid to Senior Management totalled £231,000 (2018 £211,000).

12 TANGIBLE FIXED ASSETS

GROUP	Group				Totals
	Freehold property	Long leasehold	Plant and machinery	Motor vehicles	
	£	£	£	£	£
COST					
At 1st April 2018	1,235,000	360,000	1,168,812	9,970	2,773,782
Additions	-	-	83,924	-	83,924
Revaluations	-	-	-	-	-
Disposals	-	-	(31,025)	-	(31,025)
At 31st March 2019	<u>1,235,000</u>	<u>360,000</u>	<u>1,221,711</u>	<u>9,970</u>	<u>2,826,681</u>
DEPRECIATION					
At 1st April 2018	57,067	6,964	834,184	1,869	900,084
Charge for year	(57,067)	3,482	97,659	2,025	46,099
Eliminated on Revaluation	-	-	-	-	-
Eliminated on disposal	-	-	(25,941)	-	(25,941)
At 31st March 2019	<u>-</u>	<u>10,446</u>	<u>905,902</u>	<u>3,894</u>	<u>920,242</u>

NET BOOK VALUE

At 31st March 2019

1,235,000	349,554	315,810	6,076	1,906,440
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At 31st March 2018

1,177,933	353,036	334,628	8,101	1,873,698
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CHARITY	Freehold property	Long leasehold	Charity Plant and machinery	Motor vehicles	Totals
	£	£	£	£	£
COST					
At 1st April 2018	1,235,000	360,000	1,122,890	-	2,717,890
Additions	-	-	74,697	-	74,697
Revaluations	-	-	-	-	-
Disposals	-	-	(31,025)	-	(31,025)
At 31st March 2019	1,235,000	360,000	1,166,562	-	2,761,562

DEPRECIATION

At 1st April 2018

57,067	6,964	792,418	-	856,449
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Charge for year

(57,067)	3,482	95,443	-	41,858
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Eliminated on Revaluation

-	-	-	-	-
---	---	---	---	---

Eliminated on disposal

-	-	(25,941)	-	(25,941)
---	---	----------	---	----------

At 31st March 2019

-	10,446	861,920	-	872,366
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NET BOOK VALUE

At 31st March 2019

1,235,000	349,554	304,643	-	1,889,197
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At 31st March 2018

1,177,933	353,036	330,472	-	1,861,442
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12 TANGIBLE FIXED ASSETS - continued

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

	Group
	£
Historical cost	921,500
Depreciation	175,581
	<u>745,919</u>

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

	£
Historical cost	290,000
Depreciation	32,045
	<u>257,955</u>

13 Stock

	Group		Charity	
	2019	2018	2019	2018
	£	£	£	£
Closing Stock	28,575	41,615	-	-

14 DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	Group		Charity	
	2019	2018	2019	2018
	£	£	£	£
Contracts and grant fees	481,164	354,570	463,072	346,761
Amounts owed by group undertakings	-	-	4,476	4,456
VAT	490	1,780	-	-
Other debtors	5,149	4,761	2,653	4,739
Prepayments	100,108	83,734	87,114	82,937
Accrued income	23,018	34,396	19,202	34,330
	609,929	479,241	576,517	473,223

15 CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	Group		Charity	
	2019	2018	2019	2018
	£	£	£	£
Bank loans and overdrafts (see note 17)	20,814	18,064	20,814	18,064
Trade creditors	105,158	62,242	85,320	56,185
Social security and other taxes	64,339	63,194	61,872	60,978
Other creditors	625	280	625	280
Pension fund	17,517	16,118	16,765	15,531
Accruals	92,662	199,369	86,952	195,351
Deferred income	421,142	338,592	375,040	260,958
	722,257	697,859	647,388	607,347

15 CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR

	Group		Charity	
	2019	2018	2019	2018
	£	£	£	£
Bank loans (see note 17)	251,298	274,872	251,298	274,872
Pension Deficit	66,070	74,945	66,070	74,945
Provisions	131,053	-	131,053	-
	448,421	349,817	448,421	349,817

16 Deferred income

GROUP	Group			
	Balance at 1st April 2018	Deferred	Released	Balance at 31st March 2019
	£	£	£	£
Contract and Grants	338,592	657,262	(574,713)	421,142
	338,592	657,262	(574,713)	421,142
Analysis of Deferred Income	Balance at 1st April 2018	Deferred	Released	Balance at 31st March 2019
	£	£	£	£
Under one year	338,592	657,262	(574,713)	421,142
	338,592	657,262	(574,713)	421,142
CHARITY	Charity			
	Balance at 1st April 2018	Deferred	Released	Balance at 31st March 2019
	£	£	£	£
Contract and Grants	260,958	601,590	(487,508)	375,040
	260,958	601,590	(487,508)	375,040

Analysis of Deferred Income

	Balance at 1st April 2018 £	Deferred £	Released £	Balance at 31st March 2019 £
Under one year	260,958	601,590	(487,508)	375,040
	260,958	601,590	(487,508)	375,040

17 LOANS

An analysis of the maturity of loans is given below:

	Group 2019 £	2018 £
Amounts falling due within one year on demand: Bank loans	20,814	18,064
	20,814	18,064
Amounts falling due between two and five years: Bank loans - 2-5 years	251,298	274,872
	251,298	274,872

18 OPERATING LEASE COMMITMENTS

The following operating lease payments are committed to be paid:

Land and buildings

	Group 2019 £	2018 £
Expiring:		
Within one year	26,198	43,101
Between one and five years	55,159	104,495
	81,358	147,596

19 SECURED DEBTS

The following secured debts are included within creditors:

	Group 2019 £	2018 £
Bank loans	272,112	292,936

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 2019 £	2018 £
Italk - contract underperformance	55,077	-
Italk - Staffing	75,976	-
Italk - contract underperformance: Provision set aside to meet any potential future clawback of funding due to contract underperformance	131,053	-
Italk - staffing: Provision set aside to meet the costs of staff over recruitment in 2019 - 2020		

21 ANALYSIS OF NET ASSETS BETWEEN FUNDS

	Group				
	2019				2018
	Unrestricted funds	Restricted funds	Endowment funds	Total funds	Total funds
	£	£	£	£	£
Fixed assets	1,256,886	-	649,554	1,906,440	1,873,698
Current assets	1,687,163	117,394	-	1,804,557	1,603,637
Current liabilities	(722,257)	-	-	(722,257)	(697,859)
Long term liabilities	(251,298)	-	-	(251,298)	(274,872)
Provision for liabilities	(131,053)	-	-	(131,053)	-
Pension liability	(66,070)	-	-	(66,070)	(74,945)
	1,773,371	117,394	649,554	2,540,319	2,429,659

22 MOVEMENT IN FUNDS

	At 1.4.18	Group Net movement in funds	At 31.3.19
			£
Unrestricted funds			
General Fund	699,321	(35,492)	663,829
Designated reserves	244,221	158,366	402,587
General infrastructure reserve	386,000	-	386,000
Revaluation reserve	320,955	-	320,955
	1,650,497	122,874	1,773,371
Restricted funds			
Property maintenance reserve	49,041	-	49,041
Marcella House legacy reserve	26,748	-	26,748
Fareham and Gosport reserve	59,617	(22,217)	37,400
MJB Charitable Trust funded projects	2,720	1,484	4,204
	138,126	(20,732)	117,394
Endowment funds			
Freehold property reserve	288,000	12,000	300,000
Leasehold property reserve	353,036	(3,482)	349,554
	641,036	8,518	649,554
TOTAL FUNDS	2,429,659	110,660	2,540,319

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	5,464,429	(5,499,921)	-	(35,492)
Designated reserves	158,366	-	-	158,366
General infrastructure reserve	-	-	-	-
Revaluation reserve	-	-	-	-
	5,622,795	(5,499,921)	-	122,874

Restricted funds

Mayfield Nurseries reserve	12,085	(12,085)	-	-
Property maintenance reserve	-	-	-	-
Marcella House legacy reserve	-	-	-	-
Fareham and Gosport reserve	-	(22,217)	-	(22,217)
MJB Charitable Trust funded projects	77,585	(76,101)	-	1,484

	89,670	(110,402)	-	(20,732)
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Endowment funds

Freehold property reserve	-	12,000	-	12,000
Leasehold property reserve	-	(3,482)	-	(3,482)

	-	8,518	-	8,518
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TOTAL FUNDS

	5,712,465	(5,601,805)	-	110,660
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MOVEMENT IN FUNDS - Previous period

	At 1.4.17	Group Net movement in funds	At 31.3.18 £
Unrestricted funds			
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
	1,447,027	203,470	1,650,497
Restricted 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
	196,800	(58,674)	138,126
Endowment funds			
Freehold property reserve	294,000	(6,000)	288,000
Leasehold property reserve	356,518	(3,482)	353,036
	650,518	(9,482)	641,036
TOTAL FUNDS	2,294,345	135,314	2,429,659

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 £37,400

MJB Charitable Trust funded projects - funds held £4,204

Permanent Endowment funds

Freehold property reserve - £300,000 in relation to "The Hollies", a freehold property donated by MJB Charitable Trust.

Leasehold property reserve - £213,862 in relation to "Marcella House", a leasehold property and £135,692 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 £114,198, and £0 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 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.

Present value of provision
PRESENT VALUES OF PROVISION

31-Mar-19	31-Mar-18
(£s)	(£s)
66,070	74,945

RECONCILIATION OF OPENING AND CLOSING PROVISIONS

Provision at start of period
Unwinding of the discount factor (interest expense)
Deficit contribution paid
Remeasurements - impact of any change in assumptions
Remeasurements - amendments to the contribution schedule
Provision at end of period

Period Ending	Period Ending
31-Mar-19	31-Mar-18
(£s)	(£s)
74,945	84,370
1,199	1,047
-9,658	-9,377
604	-1,095
-1020	-
66,070	74,945

INCOME AND EXPENDITURE IMPACT

Interest expense
Remeasurements – impact of any change in assumptions
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.

Period Ending	Period Ending
31-Mar-19	31-Mar-18
(£s)	(£s)
1,199	1,047
604	-1,095
-1020	-
*	*
*	*

ASSUMPTIONS

Rate of discount

31-Mar-19	31-Mar-18
% per annum	% per annum
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 £4,476 (2018: £4,456) at 31.3.19. Solent Mind owed a balance of £0 to Mayfield Nurseries (2018: £0) at 31.3.19.

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

26 POST BALANCE SHEET EVENTS

As at 31.03.19 Solent Mind has had no post balance sheet events (None at 31.03.18).

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.

	2019	2018
	£	£
Turnover	315,735	276,666
Cost of sales	(78,115)	(56,196)
Gross profit	237,620	220,470
Operating and administrative expenses	(236,905)	(204,194)
Operating profit	715	16,276
Profits brought forward	95,482	79,206
Profits retained in subsidiary	96,197	95,482

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

	Group	
	2019	2018
	£	£
Net income for the reporting period (as per the statement of financial activities)	111,443	135,266
Adjustments for:		
Depreciation	46,099	131,603
Movement in Pension Deficit	(783)	48
Add Back Reserve Spending	-	-
(Gain)/loss on disposals	4,316	1,064
Less interest received	(2,657)	(744)
Decrease/(increase) in debtors	(121,756)	137,442
Decrease/(increase) in inventory	13,040	(3,947)
(Decrease)/increase in creditors	94,030	(132,434)
	-	-
Net cash provided by (used in) operating activities	143,732	268,298