

Company number: 2643905

Charity Number: 1006927

Mind in Tower Hamlets and Newham

Report and financial statements
For the year ended 31 March 2020

Mind in Tower Hamlets and Newham

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For the year ended 31 March 2020

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Mind in Tower Hamlets and Newham

Reference and administrative information

For the year ended 31 March 2020

Company number 2643905 – incorporated in the UK

Charity number 1006927 – registered in England and Wales

Registered office and operational address: Open House,
13 Whitethorn Street,
London
E3 4DA

Trustees Trustees, who are also directors under company law, who served during the year and up to the date of this report were as follows:

Chris Beal	Chair – (resigned 22 January 2020)
Tony Bonnar	Chair – (appointed 22 January 2020)
Iwebunor Anyia	Vice Chair
Jonathan Rae	Treasurer and Chair of Finance Subcommittee
Jessica Easton	(resigned 23 July 2019)
Alice Dartnell	
James Beckles	(resigned 4 June 2019)
Leonie Thornton	
Stephanie Chapman	(resigned 13 November 2019)
Gary Jones	(resigned 8 July 2019)
Nick Aellen	
John Whitehead	
Angela Shannon	Chair of HR and Governance Committee
Holly Taylor	(appointed 13 November 2019)
Dimitrios Goumenos	(appointed 22 April 2020)
Fernan Flores	(appointed 22 January 2020)
Lisa Mclean	(appointed 22 April 2020)
Lyndsy Killip	(appointed 22 April 2020)
Jane Oldfield	(appointed 22 January 2020)
Ajay Aggarwal	(appointed 22 January 2020)

Company Secretary Michelle Kabia

Key management personnel	Michelle Kabia	Chief Executive Officer
	Juno Boyce	HR and Administration Manager
	Rehana Abbasi	Finance Manager
	Shahan Islam	Operational Director
	Joanna Boldeau	Operational Director (appointed Sept 2020)
	Fiona Scaife	Operational Director (appointed Sept 2020)

Mind in Tower Hamlets and Newham

Reference and administrative information

For the year ended 31 March 2020

Bankers National Westminster Bank
PO Box 10862
180 Shoreditch High Street
London, E1 6HY

Auditor Sayer Vincent LLP
Chartered Accountants and Statutory Auditors
Invicta House
108-114 Golden Lane
LONDON, EC1Y 0TL

Mind in Tower Hamlets and Newham

Trustees' Annual Report

For the year ended 31 March 2020

The trustees present their report and the audited financial statements for the year ended 31 March 2020.

Reference and administrative information set out on pages 1 and 2 forms part of this report. The financial statements comply with current statutory requirements, the memorandum and articles of association and the Statement of Recommended Practice – Accounting and Reporting by Charities: SORP applicable to charities preparing their accounts in accordance with FRS 102.

Chair's Introduction

I am delighted to present this Annual Report for 2019–20 on behalf of the Board of Mind in Tower Hamlets & Newham (“MITHN”).

As part of the national MIND federation, MITHN transforms lives. In operating a range of mental health support, advocacy and employment services in Tower Hamlets, Newham, Redbridge and Havering. MITHN directly benefits over 4,500 people every year, from all ages and backgrounds.

The success of this organisation is down to a highly dedicated team of 66 staff and over 120 volunteers, led by our CEO Michelle Kabia and her Operational Directors, who deliver our multifaceted services. We thank our local authorities, commissioning funders and community partners for their support throughout the year enabling our vital work to not only continue but to develop.

It is important also to recognise the dedication of the volunteers who work closely with the team to ensure that those most in need are able to access our services. I would like additionally to thank those who left the MITHN family during the year and not least Juno Boyce, our HR & Governance Manager, who worked for us for 14 years.

MITHN has a Board of fifteen Trustees, whose expertise and experience can be vital in helping the organisation navigate both problems and new challenges. This group was hugely boosted earlier this year by the addition of seven more talented members discovered through a particularly successful trustee match-making event facilitated by ELBA.

We are massively indebted to our outgoing Chair, Chris Beal, who stepped down from the role in January, having been involved with MITHN for more than 10 years. It is a credit to his guidance that the charity can lay claim to a strong profile in East London, has an annual turnover approaching £2.5m and heads into 2020–21 with its reserves position recovering well.

In the latter part of the year, MITHN experienced the early impact of Coronavirus. Unlike many organisations, we have not seen our operations and development frozen in time. Quite the opposite and Michelle and the team have responded to an increasing demand for services whilst adapting to delivering those services remotely; this challenge has brought out the absolute best in the team and has been so impressive.

All my MITHN colleagues and I welcome the engagement of everyone interested in our journey and I highly recommend this report to all of you.



Tony Bonnar
Chair

Objectives

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, with due consideration to gender, race, sexuality, age, culture and disability, requiring advice or treatment in the London borough of Tower Hamlets, the London borough of Newham, and surrounding boroughs (Redbridge, Havering, Barking and Dagenham), in association with Mind (the National Association for Mental Health) and in accordance with the aims and objectives of Mind.

Public benefit statement

The Trustees consider that they have complied with Section 17 of the Charities Act 2011 with regard to the guidance on public benefit published by the Charity Commission.

The trustees review the aims, objectives and activities of the charity each year. This report considers the charity's achievements and its outcomes in the reporting period. The trustees report the success of each key activity and the benefits the charity has brought to those groups of people that it is set up to help. The review also helps the trustees ensure the charity's aims, objectives and activities remained focused on its stated purposes.

The trustees have referred to the guidance contained in the Charity Commission's general guidance on public benefit when reviewing the charity's aims and objectives and in planning its future activities. In particular, the trustees consider how planned activities will contribute to the aims and objectives that have been set.

Achievements and performance

The charity's main activities are described below. All its charitable activities focus on the development of services for clients who suffer mental health distress and/or emotional needs residing in Tower Hamlets and Newham and neighbouring boroughs. These charitable activities are undertaken to further Mind in Tower Hamlets and Newham's charitable purposes for the public benefit.

During the year working with Mind, the London boroughs of Tower Hamlets, Newham, Havering and Redbridge, and other partner agencies, we campaigned to challenge discrimination and reduce stigma around mental health.

Response to Covid-19

As a result of the Covid-19 Pandemic, Mind in Tower Hamlets and Newham made the difficult decision to transition our services to remote delivery on March 19th, 2020. This was as a result of local and central government guidance and followed an extensive risk management process internally.

Mind in Tower Hamlets and Newham

Trustees' Annual Report

For the year ended 31 March 2020

We responded rapidly so that we could continue to provide our services to our clients as well as explore new ways of working that could maximise the support we offered clients during this difficult time.

We decided not to furlough any of the staff as we recognised that our clients who have lived experience of mental health needed more support and not less. We developed our online resources, prepared staff to offer services remotely and supported the team to expand our services to include evenings, weekends and regular contact through phone, email and conference calling.

We were successful in securing new income during this period to enable us to:

- Increase our capacity to deliver support service
- Ensure clients have access to online resources including delivering tablets and sim cards to over 20 clients.
- Increase our service operational time to incorporate an out of hours helpline.
- Increase advice and information specifically around Early Bereavement and loss
- Increase our Bereavement service in Tower Hamlets and Newham
- Ensure that our clients have access to up-to-date information about employment support issues, especially in the light of so much job insecurity.

Although this has been a challenging period for many, we have been amazed as how resilient our clients have been, adapting to new systems, new technology and coping with the inevitable isolation, loneliness and fears.

We have been humbled by the team response to Covid-19 and by the creative, resourceful and responsive way that the team has worked both independently with their clients as well across all of our services.

Our services

The charity's main activities are outlined below. All its charitable activities focus on the development of services for clients who have mental health distress and/or emotional needs residing in the London boroughs of Tower Hamlets, Newham, Redbridge and Havering.

During the year, we have amended our governing documents to widen our geographic reach to include Redbridge and Havering. These charitable activities are undertaken to further Mind in Tower Hamlets and Newham's charitable purposes for the public benefit.

Support Services

Mental health support services

In August 2019, Mind in Tower Hamlets and Newham were awarded a new service within the Tower Hamlets Recovery and Wellbeing strategy – Connecting Communities provides a first point of access for clients living in Tower Hamlets as well as advice and information, group activities,

navigation and support. All of these services are delivered with a strong emphasis on coproduction, codesign, delivery and development.

Mums Matter

We also deliver a new and exciting project called Mums Matter in Tower Hamlets. The project works with Mums who are struggling with their mental health in the peri-natal period to build resilience and developing strategies to manage and improve their mental health, with a strong emphasis on peer support.

Counselling

We offer talking therapies within both Tower Hamlets and Newham. We deliver our counselling services in partnership with East London Foundation Trust and Newham Local Authority. In Tower Hamlets we offer Brief Counselling, Bereavement counselling and employment support for clients accessing the service. In Newham we offer the Newham Bereavement Service and the Newham Talking Therapy Service. The Newham Talking Therapy Service is in partnership with East London Foundation Trust. We deliver over 8,000 hours of counselling every year to over 1200 individuals.

Community Projects

LEAP

Our Reaching Communities grant called Leap is going from strength to strength. We are now in our third year of a 5-year grant and offer Peer Leader Training opportunities as well as establishing a wide range of Peer Led groups across Tower Hamlets, Newham and Redbridge. In the first 18 months of the project we were proud to report that this project was able to meet and exceed targets in all key areas. 96 people had accessed this project, 12 people have completed the Peer Leader training programme and 7 peer led groups are currently active. In response, the Big Lottery team congratulated the team on a successful start to the project.

Advocacy Projects

Advocacy

Our advocacy services are delivered in the community and within hospital settings, including mental health units, enabling people to have a voice and to be involved in, and influence decisions being made about their treatment and support. The service enables people to secure their rights, obtain access to the services they believe they need, and to make informed choices.

Our advocacy services include the Newham Adolescent Advocacy Service, the Newham NHS Complaints Advocacy Service, the Independent Mental Health Advocacy Service in Tower Hamlets and the Havering Integrated Advocacy Service. This also includes the statutory provision of Advocacy under The Care Act and Independent Mental Capacity Advocacy – both of which support individuals who do not have capacity to make, or who would have difficulty in making certain key decisions. In addition, we support individuals to ensure that the choice for Social Services to decide where someone may live, has been made in their best decision and to ensure that their wishes, feelings and values are represented.

We have achieved the Quality Standard for Advocacy (QPM) and we have been commended for the quality of our provision across all our services. These services supported over 700 individuals over the last year including 236 people detained under the Mental Health Act, with 78 young People being advocated for, as well as supporting 122 Newham residents wishing to make an NHS Complaint, with nearly 300 separate issues collectively.

Employment / Advice and Information

Welfare Rights Service

This service offers advice, information and support on a wide range of welfare and benefits issues as well as representing and highlighting concerns, experiences and trends at borough meetings. With the changes to welfare benefits, this role is very much valued by people with mental health issues as they face barriers to accessing full benefit entitlement. This service supported over 650 clients over the year.

Employment Services

We are committed to working with our clients to increase their access to employment, through the development of social enterprise, training, placement, volunteering and supported employment.

In partnership with ELFT we deliver the Individual Placement Support (IPS) Employment service in Newham. IPS is an evidence-based model of engagement that promotes paid work for people who are involved in secondary mental health services. The service is integrated with the statutory mental health service with a manager and 6 employment advisors.

We deliver the Employment Service linked to the Tower Hamlets Talking Therapy Service. This team support clients with common mental health issues to access employment support and advice. Working in partnership with East London Foundation Trust and NHS England we are making a real impact on clients' opportunities to sustain employment or access new opportunities with the team's support.

Strategic Planning

Mind in Tower Hamlets and Newham operate within a 5-year strategic plan that is drawn up with the involvement of staff, trustees, clients and commissioners. In April 2019 we launched our new strategic plan.

The political, economic and fiscal landscape has changed considerably since our last strategic plan. We are focused on delivering services where we have the expertise and capabilities to benefit those with mental health issues in Tower Hamlets, Newham and neighbouring boroughs. Our broad experience and record for delivering high quality services is enabling us to broaden our reach both geographically and through development of new services. This is often in partnership with other delivery partners whose expertise and capabilities complement our own and we now have 18 active partnerships. We are particularly keen to develop peer led services, services which are co-produced and designed by and for people with mental health issues. We continue to

prioritise services that focus on wellbeing, building resilience and promoting mental health recovery.

Our Strategic Objectives are:

Objective 1 – Our Services: Seamless Quality across the Board

We deliver services of the highest quality and provide support to those that need us the most.

To achieve this, we:

- Maintain our quality marks and standards and explore new areas to achieve standards in.
- Expand the geographical reach of our current services where possible.
- Develop new, innovative services to meet the needs of our clients.
- Become a specialist in employment for Mental Health.
- Increase the services we offer to young people.
- Review and improve how we measure our impact.

Objective 2 – Our Voice: Challenging clichés

We champion an authentic voice in mental health conversations.

To achieve this, we:

- Enable our clients to share their experiences with others and wider society.
- Improve our online presence and digital outreach.
- Engage with national campaigns.
- Work with local organisations to reduce stigma and discrimination.
- Explore the potential to do targeted work to reduce stigma in different communities.

Objective 3 – Our Clients: Empowerment for all

We support empowerment for all clients across all aspects of our organisation.

To achieve this, we:

- Embed coproduction across all our work and services.
- Provide integrated support for people facing multiple disadvantage.
- Develop our Peer Support and Peer Leadership models.
- Conduct more outreach into 'hard to reach' communities and demographics.
- Review and improve how we use feedback.

Objective 4 – Our Network: Collaboration equals Success

We nurture and expand our network from formal partnerships to engagement with local organisations. We will also become a center of excellence for volunteering.

To achieve this, we:

- Increase the scope and effectiveness of our partnership working.
- Take a strong role in the development of the London Mind network.
- Map and engage with a wider range of local organisations.

Mind in Tower Hamlets and Newham

Trustees' Annual Report

For the year ended 31 March 2020

- Create a Volunteering Strategy and become a center of excellence for volunteering.

Objective 5 – Our Capacity: Sustainable Growth

We grow our organisation sustainably to reach more people who need our help.

To achieve this, we:

- Maintain our financial health and diversify our income sources.
- Build a Strategic Alliance with Havering Mind.
- Maximize the wellbeing and effectiveness of our team.
- Develop our digital capacity and strategy.
- Improve our working environment.

Click on Link to read our Strategic Plan in full

<https://view.pagetiger.com/MITHN-Strategic-Plan-2019-24/MITHN-Strategic-Plan-2019-24>

New Strategic Projects

Connector Fund – Funding from National Mind to enable us to develop a Strategic Alliance with Havering Mind and to develop services in Redbridge and Barking and Dagenham Local Authorities which currently do not have a Local Mind Association. We have now been authorised to develop services within Redbridge under the operating name of Mind in Redbridge which is an exciting new development for 2020/21.

Volunteers

Mind in Tower Hamlets and Newham works with a large number of volunteers. This includes the trustees who volunteer their time to oversee the strategic direction of the organisation and ensure that we are delivering services in line with our objectives and charitable purpose. Trustees devote a considerable amount of their time per year to attend meetings and to support the organisation.

We encourage people with lived experience of mental health to volunteer. This opportunity can support clients with their recovery as well as enabling them to regain confidence and skills that enable them to get back into employment. We can work with between 12–15 volunteers with lived experience at any one time. These volunteers may support the design, development and delivery of groups and activities, planning support services with staff, facilitating service user led groups and peer support groups.

Our counselling service model includes student counsellors on placement. This service works with between 60 – 80 counselling volunteers, each providing three hours of counselling per week. This represents at least 10,920 hours of volunteer support equivalent to 6 FTE staff, and equating to approximately £168,000 it would otherwise cost to deliver the service.

Protection of vulnerable people and other members of the public.

Mind in Tower Hamlets and Newham are committed to supporting vulnerable people and protecting members of the public. We are a local community mental health resource and offer information, advice and guidance to anyone who contacts us. We are committed to ensuring that local people access the right support at the right time and offer a signposting or navigation service to people if we do not deliver the support that they are requesting. We have a strong commitment to vulnerable people and have embedded excellent safeguarding policies and practices so that we are responsive to those who are most vulnerable and can offer the right support to meet their complex needs.

Financial review

In the financial year 2019/20, Mind in Tower Hamlets and Newham had a total income of £2,041,189 (2019: £1,701,802), representing a 20% increase in income. Total expenditure of £1,993,147 (2019: £1,685,212) increased by 18%. This resulted in a surplus for the year of £48,042 (2019: surplus of £16,590).

Our unrestricted funds have increased by £69,141 to £210,882 (2019: £141,741). We have designated £117,161 (2019: £111,584) of these funds to cover the depreciation of our fixed assets which are not covered by restricted funds. This leaves general unrestricted funds at £93,721 (2019: £30,157).

This year we have significantly increased our budgeted income. We have won a new service in Tower Hamlets – Connecting Communities and expanded other services. We remain vigilant about the organisation's expenditure and running costs to ensure that we can deliver our services in a financially secure manner, whilst continuing to grow unrestricted funds. Both our strategic plan and our operational business plan are ambitious about growth and the delivery of high-quality service to our clients.

We are committed to continually reviewing and improving our financial regulations policy, procedures and accounting systems and are confident that the information within the system is accurate and transparent and therefore provides management, trustees and stakeholders with a clear view of our financial health.

Going concern

As a result of continued expansion of services and careful cost control the charity has realised an increased operating surplus in the current year, strengthening financial resilience. The trustees regularly review operational budgets and cash flow projections alongside operational and financial risks in order to ensure that the charity remains financially robust and to assess the charity's ability to meet its liabilities as they fall due and to continue to trade as a going concern. The charity benefits from good visibility of contracted income for the large majority of the services it provides which assists this exercise.

The continuing improvement in financial performance and reserves once again supports the preparation of these accounts on a going concern basis. Additional detail of the reserves position in the context of the reserves policy is provided below.

Since the period end, the trustees have considered the impact of the Covid-19 pandemic on its operations and funding position. Both have remained robust throughout the Covid-19 pandemic as the charity rapidly shifted to services being provided remotely as well as securing additional funding to support the transition required and to expand its services to start to address the mental health impacts of the pandemic.

We remain committed to reviewing our Strategy and Operational Planning to enable us to develop new services with a firm funding base, continuing to control our operating costs. Mind in Tower Hamlets and Newham has seen significant growth in the last 2 years and is operating with a solid foundation of secured funding. Trustees are committed to continuing to develop the service and to ensure that the organisation offers services that are of a high quality and offer added value to our clients. Trustees are aware of their need to maintain a close review of income and expenditure as well as have strong strategic plans for the future.

Further assessment of the charity's going concern position in note 1d).

Reserves policy

Mind in Tower Hamlets and Newham is acutely aware of the need to sustain its viability in the medium to long term. As a result of continued expansion of services and careful cost control the charity has realised an increased operating surplus in the current year, enhancing the reserves position, guided by the reserves policy.

The trustees consider it prudent to maintain an unrestricted level of reserves to cover the charity's contractual obligations. They are committed to building sufficient unrestricted reserves to cover 25% fall in the contribution of contracted income to central operating costs for a period of two years, plus an allowance for any other unforeseen expenditure required to maintain MITHN's operations (e.g. uninsured repairs and maintenance work to the buildings operated by MITHN).

Based on the budget for 2020/21 the trustees have assessed that a reserves target (as described above) of £259,000 to cover 25% shortfall in central costs of c. £517,000 pa for two years plus £40,000 being the trustees assessment of a reasonable allowance for other unforeseen expenditure – totalling £299,000.

As explained above, if we exclude the pension liability which will not crystallise at a single point but can be paid over the next 5 years, our unrestricted funds would be £194,895 (2019: £157,691). This is equivalent to 65% of the target above.

Principal risks and uncertainties

We are continually review and challenge our operating and service delivery costs to ensure they are optimised.

While we have secured income of over £2.4m for the next 12 months, it remains imperative that we continue to design and develop new services that are funded with the principle of 'Full Cost Recovery' so that we can retain and build our organisational capacity as we grow and develop.

Plans for future

The trustees and the CEO have developed a 5-year strategic plan and an annual Operational Plan covering the development of new services, fundraising and disciplined control of costs in running the organisation. We are committed to exploring new funding opportunities, building our service area and expanding to new boroughs over the next 12months.

Structure, governance and management

Governing Document

Mind in Tower Hamlets and Newham ("MITHN") (the word 'Limited' being omitted by licence from the Department of Trade) is incorporated as a company limited by guarantee and not having a capital divided by shares.

The organisation is a charitable company limited by guarantee, incorporated on 6 September 1991 and registered as a charity on 6 March 1992. The company was established under a Memorandum of Association which established the objects and powers of the charitable company and is governed under its Articles of Association.

Charity Governance Code

In July 2017, a group of charity and governance associations introduced the new Charity Governance Code as a practical tool to help trustees achieve high standards of governance, recognising that good governance in charities is fundamental to success, contributing to our charity achieving its objectives for the benefit of all stakeholders.

The trustees and management have benchmarked Mind in Tower Hamlets and Newham's governance standards against the recommended practices included within the Charity Governance Code.

Overall, the trustees were satisfied that the governance standards of the charity were appropriate for its scale, complexity and charitable purposes, but identified several areas where enhancements to the governance approach would benefit the operation of the charity. An action plan is being implemented to address these points, consistent with the trustees' commitment to continuous

Trustees' Annual Report

For the year ended 31 March 2020

improvement of governance standards guided by the Charity Governance Code and other standards and requirements, including those of the Charity Commission.

This year we have successfully recruited a new Chair for our Board of Trustees, Tony Bonnar, and thank Chris Beal, who stood down as Chair in January 2020, for his commitment to our charity as the Chair over the last 6 years.

We have also recruited a number of new trustees with the support of the East London Business Alliance (ELBA) and now have a vibrant and skilled Board of Trustees who will support our strategic direction and development over the next 12 months.

Recruitment and appointment of trustees

The approach to recruitment and appointment of trustees is set out in our Articles of Association. The honorary officers: The Chair, Vice-Chair and the Treasurer as well as other trustees are elected at the Annual General Meeting by the members of MITHN. The Chair, Vice-Chair and Treasurer can only serve for one year and then must seek re-election at the AGM. The recruitment process is set out in our trustee recruitment policy and includes the stages listed below.

- Skills audit.
- Role description.
- Identifying potential trustees.
- Selection process.
- Induction.

In 2019 we developed our second HR and Governance Sub-Committee comprising trustees who will support the development of our organisation and our governance.

The Board of Trustees has the power to appoint additional trustees as it considers fit to do so. The trustees in office in the year are set out on Page 1. The trustees have no beneficial interest in the company other than as members. The trustees are also directors of the company. All the trustees are members of the company and guarantee to contribute £1.00 if the company is wound up.

The trustees do not have 'hands on' involvement in MITHN's activities and the Board delegates day-to-day responsibility to the CEO, Michelle Kabia, who in some instances will delegate to other members of the senior management team.

All trustees give their time voluntarily and receive no benefits from the charity. Any expenses reclaimed from the charity are set out in note 6 to the accounts.

Trustee induction and training

The induction and training of trustees is set out in the charity's Trustee Recruitment Policy. All trustees are given an Induction Pack which forms the basis of their induction. All potential trustees attend a number of Board meetings before being elected to the Board.

As part of their induction new trustees are encouraged to visit the organisation's projects and to meet the staff. As part of the Skills Audit, the training needs of new trustees are built into a training programme. The progression of new trustees is monitored by the Chair or other nominated trustee, to ensure that they:

- Are fully aware of their roles and responsibilities.
- Are informed about the organisation to meaningfully input into discussion.
- Training needs are identified and addressed.

All trustees are informed of external training opportunities during the year. Charity Commission updates and news are also provided to them.

Related parties and relationships with other organisations

Mind in Tower Hamlets and Newham is affiliated to National Mind. We are committed to working in partnership with other providers. This has been a significant strategic aim and we are now working with 18 different organisations to deliver our services. Examples of the partnerships are: Working Well Trust – Upskill, ELFT – Newham and Tower Hamlets Talking Therapies, Newham IPS service; Community Barnet – NHS complaints advocacy in Newham.

Remuneration policy for key management personnel

Mind in Tower Hamlets and Newham set its pay and remuneration in line with the National Joint Council Local Government Salary Scale. Staff are generally appointed at the bottom of the scale unless they have significant experience and at that point, we may decide to offer them a higher starting salary. All staff have an induction and probation period at the start of their employment and an annual appraisal which outlines their performance against their key objectives in their job description.

Statement about Fundraising Practice

Mind in Tower Hamlets and Newham have established a Fundraising Strategy which works alongside our Strategic Plan and our Operational Plan.

Our fundraising strategy aims to address how we will achieve our Strategic Development target and the budgeted fundraised annual income. We are committed to diversifying our income and developing our services to new communities as well as expanding our area of benefit.

Diversification of income

To meet the objectives of our strategic plan, we are committed to diversifying our income streams, scoping and taking advantage of alternative sources of funding so that we can continue to maintain quality services for our clients, and continue to generate services that our clients are telling us they want and need.

1. Explore non-statutory funding opportunities.
2. Increase our local fundraising activities to raise income such as sponsorships and events.
3. Secure new contract funding where appropriate.
4. Develop significant partnerships to build on our successful tendering.
5. Raise the profile of the organisation via social networking.
6. Increase Corporate Sponsorship and development of local business links.

We recruited a Fundraising and Events Coordinator in September 2019 and in 2020 we planned on recruiting a Training and Development Coordinator to support income generation and the development of fundraising through an Events and Activities programme.

Ethical fundraising

We are committed to ethical fundraising, ensuring that we do not accept donations or support from companies who are in direct conflict with our aims. We have an Ethical Fundraising policy that will support this strategy and be embedded into any fundraising activities.

Mind in Tower Hamlets and Newham's approach to fundraising is to use internal staff and volunteers where appropriate. We do not use external fundraisers currently but would consider this where they have additional expertise and can carry out fundraising work more cost-effectively.

We are members of the Fundraising Standards Board (FRSB) and comply with their code of fundraising practice. We have not received any complaints about fundraising during the year. The Chief Executive Officer and Finance Manager monitor the fundraising activities undertaken by third parties on a day to day basis while a fundraising sub-group monitor these periodically.

Statement of responsibilities of the trustees

The trustees (who are also directors of Mind in Tower Hamlets and Newham for the purposes of company law) are responsible for preparing the trustees' annual report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

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 these financial statements, the trustees are required to:

Trustees' Annual Report

For the year ended 31 March 2020

- Select suitable accounting policies and then apply them consistently.
- Observe the methods and principles in the Charities SORP.
- Make judgements and estimates that are reasonable and prudent.
- State whether applicable UK Accounting Standards and statements of recommended practice have been followed, subject to any material departures disclosed and explained in the financial statements.
- Prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charity will continue in operation.

The trustees are responsible for keeping adequate accounting records that disclose with reasonable accuracy at any time the financial position of the charitable company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the 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.
- 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.

The trustees are responsible for the maintenance and integrity of the corporate and financial information included on the charitable company's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

Members of the charity guarantee to contribute an amount not exceeding £1 to the assets of the charity in the event of winding up. The total number of such guarantees at 31 March 2020 was 16 (2019: 12). The trustees are members of the charity, but this entitles them only to voting rights. The trustees have no beneficial interest in the charity.

Auditor

Sayer Vincent LLP was re-appointed as the charitable company's auditor during the year and have expressed their willingness to continue in that capacity.

The trustees' annual report has been approved by the trustees on 21 October 2020 and signed on their behalf by



Tony Bonnar
Chair

Independent auditor's report

To the members of

Mind in Tower Hamlets and Newham

Opinion

We have audited the financial statements of Mind in Tower Hamlets and Newham (the 'charitable company') for the year ended 31 March 2020 which comprise the statement of financial activities, balance sheet, statement of cash flows and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland* (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

- Give a true and fair view of the state of the charitable company's affairs as at 31 March 2020 and of its 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.
- 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 Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the charitable company in accordance with the ethical requirements that are relevant to our audit of the 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 enough 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 financial statements is not appropriate; or
- The trustees have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the 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 other information comprises the information included in the trustees' annual report, other than the financial statements and our auditor's report thereon. The trustees are responsible for

Independent auditor's report

To the members of

Mind in Tower Hamlets and Newham

the other information. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon. In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the 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.

Opinions 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 trustees' annual report, for the financial year for which the financial statements are prepared is consistent with the financial statements.
- The trustees' annual report 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 charitable company and its environment obtained in the course of the audit, we have not identified material misstatements in the trustees' annual report.

We have nothing to report in respect of the following matters in relation to which the Companies Act 2006 requires us to report to you if, in our opinion:

- Adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- The 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; or
- The trustees were not entitled to prepare the financial statements in accordance with the small companies' regime and take advantage of the small companies' exemptions in preparing the trustees' annual report and from the requirement to prepare a strategic report.

Responsibilities of trustees

As explained more fully in the statement of trustees' responsibilities set out in the trustees' annual report, the trustees (who are also the directors of the charitable company for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the trustees determine

Independent auditor's report

To the members of

Mind in Tower Hamlets and Newham

is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the trustees are responsible for assessing the 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 charitable company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report 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 based on these financial statements.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditor's report.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

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 auditor's 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 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.



Joanna Pittman (Senior statutory auditor)

5 October 2020

for and on behalf of Sayer Vincent LLP, Statutory Auditor
Invicta House, 108-114 Golden Lane, LONDON, EC1Y 0TL

Mind In Tower Hamlets and Newham

Statement of financial activities (incorporating an income and expenditure account)

For the year ended 31 March 2020

	Note	Unrestricted £	Restricted £	2020 Total £	Unrestricted £	Restricted £	2019 Total £
Income from:							
Donations and legacies	2	25,386	-	25,386	48,215	-	48,215
Charitable activities							
Support Services	3a	969,134	21,699	990,833	825,574	-	825,574
Community Projects	3b	-	92,221	92,221	8,160	120,667	128,827
Advocacy Projects	3c	412,900	-	412,900	393,516	-	393,516
Employment, advice & information	3d	433,233	66,745	499,978	174,640	99,768	274,408
Office rental		3,739	-	3,739	19,200	-	19,200
Investment income		842	-	842	283	-	283
Other income		15,290	-	15,290	11,779	-	11,779
Total income		1,860,524	180,665	2,041,189	1,481,367	220,435	1,701,802
Expenditure on:							
Charitable activities							
Support Services	4	933,253	45,490	978,743	820,361	20,297	840,658
Community Projects	4	-	88,671	88,671	8,621	123,654	132,275
Advocacy Projects	4	456,256	-	456,256	458,729	-	458,729
Employment, advice & information	4	401,874	67,603	469,478	156,096	97,454	253,550
Total expenditure		1,791,383	201,764	1,993,147	1,443,807	241,405	1,685,212
Net movement in funds		69,141	(21,099)	48,042	37,560	(20,970)	16,590
Reconciliation of funds:							
Total funds brought forward		141,741	284,813	426,554	104,181	305,783	409,964
Total funds carried forward	17	210,882	263,714	474,596	141,741	284,813	426,554

All of the above results are derived from continuing activities. There were no other recognised gains or losses other than those stated above. Movements in funds are disclosed in Note 17 to the financial statements.

Mind In Tower Hamlets and Newham

Balance sheet

Company no. 2643905

As at 31 March 2020

	Note	£	2020 £	£	2019 £
Fixed assets:					
Tangible assets	10		380,875		396,397
			380,875		396,397
Current assets:					
Debtors	11	33,419		51,336	
Cash at bank and in hand		338,127		307,087	
			371,546	358,423	
Liabilities:					
Creditors: amounts falling due within one year	12	(176,651)		(200,732)	
Net current assets			194,895		157,691
Total assets less current liabilities			575,770		554,088
Creditors: amounts falling due after one year	14		(101,174)		(127,534)
Total net assets	16		474,596		426,554
The funds of the charity:					
	17				
Restricted income funds			263,714		284,813
Unrestricted income funds:					
Designated funds		117,161		111,584	
General funds					
Excluding long term pension liability		194,895		157,691	
Long term pension liability		(101,174)		(127,534)	
General funds including long term pension liability		93,721		30,157	
Total unrestricted funds			210,882		141,741
Total charity funds			474,596		426,554

Approved by the trustees on 21 October 2020 and signed on their behalf by



Tony Bonnar
Chair



Jonathan Rae
Treasurer

Mind In Tower Hamlets and Newham

Statement of cash flows

For the year ended 31 March 2020

Reconciliation of net expenditure to net cash flow from operating activities

	2020 £	2019 £
Net Income / (expenditure) for the reporting period (as per the statement of financial activities)	48,042	16,590
Depreciation charges	41,448	36,374
Dividends, interest and rent from investments	(842)	(283)
Decrease in debtors	17,917	15,361
Decrease in creditors	(50,440)	(33,469)
Profit on sale of fixed assets	-	(11,779)
	<hr/>	<hr/>
Net cash generated from / (used in) operating activities	56,125	22,794
	<hr/> <hr/>	<hr/> <hr/>

	Note	2020 £	£	2019 £	£
Cash flows from operating activities					
Net cashflow generated from/(used in) operating activities		56,125		22,794	
Cash flows from investing activities:					
Dividends, interest and rents from investments		842		283	
Purchase of fixed assets		(25,927)		(54,761)	
Proceeds from sale of fixed assets		-		11,779	
		<hr/>		<hr/>	
Net cash used in investing activities		(25,085)		(42,699)	
		<hr/>		<hr/>	
Change in cash and cash equivalents in the year		31,040		(19,905)	
Cash and cash equivalents at the beginning of the year		307,087		326,992	
		<hr/>		<hr/>	
Cash and cash equivalents at the end of the year		338,127		307,087	
		<hr/> <hr/>		<hr/> <hr/>	

1 Accounting policies

a) Statutory information

Mind in Tower Hamlets and Newham is a charitable company limited by guarantee and is incorporated in the United Kingdom. The registered office address is Open House, 13 Whitehorn Street, London, E3 4DA.

b) Basis of preparation

The financial statements have been prepared in accordance with 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)– (Charities SORP FRS 102), the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) and the Companies Act 2006.

Assets and liabilities are initially recognised at historical cost or transaction value unless otherwise stated in the relevant accounting policy or note.

c) Public benefit entity

The charitable company meets the definition of a public benefit entity under FRS 102.

d) Going concern

The trustees, with the support from management, have worked on new service developments to sustain the charity for the future and build up reserves. This has resulted in the charity realising a larger surplus than the prior year, continuing the trend of improving financial performance and resilience following several years of deficits prior to that. However, the trustees acknowledge that the current level of reserves remains below the target level per the charity's reserves policy. The trustees remain focused on maintaining the medium term financial sustainability of the charity, including through ensuring that operating costs remain within budget limits.

The trustees review the budgets, forecasts, cash flow projections and risk associated with forecast income streams while considering the going concern assumption. Following this review, and noting that the charity does not have any financial borrowings, the trustees consider that there are no other material uncertainties about the charity's ability to continue as a going concern.

The trustees have considered the impact of Covid-19 on the charity's financial and operational performance and resilience. The charity has successfully transitioned its services to remote delivery. It has also secured additional funding and been commissioned to deliver additional services to address the additional mental health challenges arising from the pandemic. Following a review of the charity's revised operating plans which reflect new ways of working within Covid-19 restrictions as well as the charity's financial performance for the period to 30th September 2020, the trustees do not anticipate any material adverse impact on the organisation's financial position as a result of Covid-19.

e) Income

Recognition of income takes place in accordance with applicable accounting policies and results are presented in accordance with SORP & FRS 102. All incoming resources are included in the Statement of Financial Activities when there is entitlement to receive them, it is probable that the income will be received and that the amount can be measured reliably.

Grants and donations are recorded in the period in which they are received or the Charity is entitled to the income. Any donations tied to a particular purpose are credited to restricted reserves.

Income from revenue grants and other grants are credited to the Statement of Financial Activities when received or receivable. Where unconditional entitlement to grants receivable is dependent on fulfilment of conditions within the Charity's control, the incoming resources are recognised when there is sufficient evidence that conditions will be met, it is probable that the income will be received and the amount can be measured reliably and is not deferred.

Contractual income is recognised when the charity has entitlement to the funds, any performance conditions attached to the income have been met, it is probable that the income will be received and that the amount can be measured reliably.

Income received in advance of the provision of a specified service is deferred until the criteria for income recognition are met.

f) Gifts and services in kind

Donated professional services and donated facilities are recognised as income when the charity has control over the item or received the service, any conditions associated with the donation have been met, the receipt of economic benefit from the use by the charity of the item is probable and that economic benefit can be measured reliably. In the case of donated fixed assets, a designated fund is created reflecting the book value of the asset, which is then reduced over the useful economic life of the asset in line with its depreciation.

On receipt, donated gifts, professional services and donated facilities are recognised on the basis of the value of the gift to the charity which is the amount the charity would have been willing to pay to obtain services or facilities of equivalent economic benefit on the open market; a corresponding amount is then recognised in expenditure in the period of receipt.

The value of services provided by general volunteers has not been included in the Statement of Financial Activities.

g) Interest receivable

Interest on funds held on deposit is included when receivable and the amount can be measured reliably by the charity; this is normally upon notification of the interest paid or payable by the bank.

1 Accounting policies (continued)

h) Fund accounting

Restricted funds are to be used for specific purposes as laid down by the donor. Expenditure which meets these criteria is charged to the fund.

Unrestricted general funds are donations and other incoming resources received or generated for the charitable purposes. The General fund has to provide for the net deficit of any activities that have inadequate income of their own and for the central operating costs of the charity.

Designated funds are unrestricted funds earmarked by the trustees for particular purposes.

i) Expenditure and irrecoverable VAT

Expenditure is recognised once there is a legal or constructive obligation to make a payment to a third party, it is probable that settlement will be required and the amount of the obligation can be measured reliably. Resources expended include attributable VAT which cannot be recovered as Mind In Tower Hamlets and Newham is not currently VAT registered. Expenditure is classified under the following activity headings:

- Expenditure on charitable activities includes the costs associated with delivering the main objectives of the charity and include both the direct cost and support cost relating to these activities.
- Support costs are those costs incurred which are not directly an output of the charitable activity.
- Governance costs are the costs associated with the governance arrangements of the charity. These costs are associated with constitutional and statutory requirements and include any costs associated with the strategic management of the charity's activities.

j) Allocation of support costs

Resources expended are allocated to the particular activity where the cost relates directly to that activity. However, the cost of overall direction and administration of each activity, comprising the salary and overhead costs of the central function, is apportioned on the basis of the total direct project's cost.

k) Tangible fixed assets

Items of equipment are capitalised where the purchase price exceeds £500. Depreciation costs are allocated to activities on the basis of the use of the related assets in those activities. Assets are reviewed for impairment if circumstances indicate their carrying value may exceed their net realisable value and value in use.

Depreciation is provided at rates calculated to write down the cost of each asset to its estimated residual value over its expected useful life. The depreciation rates in use are as follows:

- | | |
|---------------------------|-------------|
| ● Long leasehold premises | 45 years |
| ● Furniture & equipment | 25% on cost |
| ● Computer equipment | 25% on cost |
| ● Motor vehicle | 25% on cost |

l) Debtors

Trade and other debtors are recognised at the settlement amount due after any trade discount offered. Prepayments are valued at the amount prepaid net of any trade discounts due.

m) Cash at bank and in hand

Cash at bank and cash in hand includes cash and short term highly liquid investments with a short maturity of three months or less from the date of acquisition or opening of the deposit or similar account.

n) Creditors and provisions

Creditors and provisions are recognised where the charity has a present obligation resulting from a past event that will probably result in the transfer of funds to a third party and the amount due to settle the obligation can be measured or estimated reliably. Creditors and provisions are normally recognised at their settlement amount after allowing for any trade discounts due.

The charity only has financial assets and financial liabilities of a kind that qualify as basic financial instruments. Basic financial instruments are initially recognised at transaction value and subsequently measured at their settlement value with the exception of bank loans which are subsequently measured at amortised cost using the effective interest method.

o) Pensions

The charity operates two pension schemes, the first being a multi – employer pension scheme on behalf of its staff. It is not possible to separately identify the assets and liabilities of participating employers on a consistent and reasonable basis.

The charity has recognised its committed liability for past service deficits for this scheme and these are noted as a liability on the balance sheet and as a long term pension liability reserve. This scheme is now closed to new members.

The second is a defined contribution scheme with Aviva, where the charity has no liability other than to pay the defined contributions as they fall due.

2 Income from donations and legacies

	Unrestricted £	Restricted £	2020 total Total £	Unrestricted £	Restricted £	2019 Total £
Donations and fundraising	25,361	-	25,361	48,175	-	48,175
Membership subscriptions	25	-	25	40	-	40
	<u>25,386</u>	<u>-</u>	<u>25,386</u>	<u>48,215</u>	<u>-</u>	<u>48,215</u>

3 Income from charitable activities

	Unrestricted £	Restricted £	2020 Total £	Unrestricted £	Restricted £	2019 Total £
London Borough of Tower Hamlets – Counselling TH	-	-	-	55,269	-	55,269
Heritage – Inspire Consortium	182,322	-	182,322	459,968	-	459,968
London Borough of Newham – Counselling Newham	52,466	-	52,466	52,466	-	52,466
Prince's Trust	29,417	-	29,417	20,000	-	20,000
East London NHS Foundation – Talking Therapies	294,239	-	294,239	149,657	-	149,657
Providence Row – RESET	4,332	-	4,332	25,989	-	25,989
London Borough of Tower Hamlets, Connecting Communities	355,674	-	355,674	-	-	-
Other income from support services projects	50,684	21,699	72,383	62,225	-	62,225
a) Sub-total for support services	<u>969,134</u>	<u>21,699</u>	<u>990,833</u>	<u>825,574</u>	<u>-</u>	<u>825,574</u>
Henry Smith – Community engagement	-	11,800	11,800	-	47,175	47,175
Big Lottery – LEAP	-	80,421	80,421	-	73,492	73,492
Other income from community projects	-	-	-	8,160	-	8,160
b) Sub-total for Community Projects	<u>-</u>	<u>92,221</u>	<u>92,221</u>	<u>8,160</u>	<u>120,667</u>	<u>128,827</u>
East London Foundation trust – Adolescent Advocacy	31,620	-	31,620	31,620	-	31,620
London Borough of Tower Hamlets IMHA	206,488	-	206,488	206,488	-	206,488
London Borough of Havering – Havering Advocacy	134,792	-	134,792	115,408	-	115,408
Community Barnet – Complaints Advocacy	40,000	-	40,000	40,000	-	40,000
c) Sub-total for advocacy projects	<u>412,900</u>	<u>-</u>	<u>412,900</u>	<u>393,516</u>	<u>-</u>	<u>393,516</u>
London Borough of Tower Hamlets – Upskill	-	51,445	51,445	-	69,168	69,168
London Borough of Tower Hamlets – Coping with life	-	15,300	15,300	-	30,600	30,600
NHS Newham CCG – IPS Newham NHS England	168,728	-	168,728	62,908	-	62,908
East London NHS Foundation – IAPT Employment	262,755	-	262,755	108,450	-	108,450
Other – IPS Newham (Centre for mental health)	1,750	-	1,750	3,282	-	3,282
d) Sub-total for Employment, advice and information	<u>433,233</u>	<u>66,745</u>	<u>499,978</u>	<u>174,640</u>	<u>99,768</u>	<u>274,408</u>
Total income from charitable activities	<u>1,815,267</u>	<u>180,665</u>	<u>1,995,932</u>	<u>1,401,890</u>	<u>220,435</u>	<u>1,622,325</u>

4a Analysis of expenditure (current year)

	Charitable activities						2020 Total £	2019 Total £
	Support services £	Community Projects £	Advocacy Projects £	Employment, advice & information £	Support costs £	Governance costs £		
Staff costs (Note 6)	585,590	51,145	323,682	334,024	206,768	-	1,501,209	1,100,907
Direct costs	142,229	2,083	26,392	34,336	11,903	-	216,943	307,802
Premises costs	13,558	(497)	2,000	-	28,070	-	43,131	32,701
Office and supplies costs	30,535	2,096	6,854	1,888	99,326	-	140,699	122,037
Depreciation	3,276	965	3,078	2,249	31,880	-	41,448	36,374
Consultancy	1,374	14,562	-	-	22,411	-	38,347	72,791
Audit remuneration	-	-	-	-	-	11,370	11,370	12,600
	776,562	70,354	362,006	372,497	400,358	11,370	1,993,147	1,685,212
Support costs	196,597	17,811	91,647	94,303	(400,358)	-	-	-
Governance costs	5,583	506	2,603	2,678	-	(11,370)	-	-
Total expenditure 2020	978,743	88,671	456,256	469,478	-	-	1,993,147	-
Total expenditure 2019	840,658	132,275	458,729	253,550	-	-		1,685,212

Mind In Tower Hamlets and Newham

Notes to the financial statements

For the year ended 31 March 2020

4a Analysis of expenditure (prior year)

	Charitable activities						2019 Total £
	Support services £	Community Projects £	Advocacy Projects £	Employment, advice & information £	Support costs £	Governance costs £	
Staff costs (Note 6)	447,351	82,499	279,063	139,281	152,713	-	1,100,907
Direct costs	195,441	5,382	38,287	60,256	8,436	-	307,802
Premises costs	9,086	2,296	1,583	-	19,736	-	32,701
Office and supplies costs	11,100	2,156	13,291	1,443	94,047	-	122,037
Depreciation	2,475	1,058	2,486	1,617	28,738	-	36,374
Consultancy	6,268	12,302	31,833	-	22,388	-	72,791
Audit remuneration	-	-	-	-	-	12,600	12,600
	671,721	105,693	366,543	202,597	326,058	12,600	1,685,212
Support costs	162,652	25,593	88,756	49,057	(326,058)	-	-
Governance costs	6,285	989	3,430	1,896	-	(12,600)	-
Total expenditure 2019	840,658	132,275	458,729	253,550	-	-	1,685,212

Notes to the financial statements

For the year ended 31 March 2020

5 Net expenditure for the year

This is stated after charging:

	2020 £	2019 £
Gain on disposal of fixed assets	–	11,779
Depreciation	41,449	36,374
Operating lease rentals:		
Photocopier	1,042	1,983
Auditors' remuneration (excluding VAT):		
under accrual from prior year audit	330 9,200	428 9,425
	<u>9,200</u>	<u>9,425</u>

6 Analysis of staff costs, trustee remuneration and expenses, and the cost of key management personnel

Staff costs were as follows:

	2020 £	2019 £
Salaries and wages	1,325,007	976,015
Social security costs	119,625	87,765
Employer's contribution to pension schemes	30,577	14,127
Employer's contribution to defined benefit pension	26,000	23,000
	<u>1,501,209</u>	<u>1,100,907</u>

1 employee earned (excluding national insurance) between £70,000 and £80,000 during the year (2019: 1 between £60,000–£70,000).

The total employee remuneration including pension contributions and national insurance of the key management personnel were £193,501 (2019: £188,620).

The charity trustees were not paid and did not receive any other benefits from employment with the charity in the year (2019: £nil). No charity trustee received payment for professional or other services supplied to the charity (2019: £nil).

There were no trustee expenses paid or reimbursed in the year (2019: £nil).

7 Staff numbers

The average number of employees (head count based on number of staff employed) during the year was as follows:

	2020 No.	2019 No.
Support Services	30	13
Community Projects	1	4
Advocacy Projects	11	11
Employment, advice & information	12	11
Support	5	3
Governance	1	1
	<u>60</u>	<u>43</u>

8 Related party transactions

There are no related party transactions to disclose (2019: none) other than those already disclosed in note 6. There were no donations received from any related party in 2020 (2019: none).

9 Taxation

The charitable company is exempt from corporation tax as all its income is charitable and is applied for charitable purposes.

10 Tangible fixed assets

	Long leasehold premises £	Fixtures and equipment £	Computer equipment £	Total £
Cost or valuation				
At the start of the year	882,278	51,948	66,452	1,000,678
Additions in the year	-	9,059	16,868	25,927
At the end of the year	882,278	61,007	83,320	1,026,605
Depreciation				
At the start of the year	538,049	45,540	20,692	604,281
Charge for the year	21,099	2,634	17,716	41,449
At the end of the year	559,148	48,174	38,408	645,730
Net book value				
At the end of the year	323,130	12,833	44,912	380,875
At the start of the year	344,229	6,408	45,760	396,397

All of the above assets are used for charitable purposes.

11 Debtors

	2020 £	2019 £
Trade debtors	16,723	25,720
Prepayments	16,696	25,616
	33,419	51,336

12 Creditors: amounts falling due within one year

	2020 £	2019 £
Trade creditors	25,828	29,609
Taxation and social security	33,614	24,430
Pension contributions creditor	676	3,353
Defined benefit pension liability (note 15)	26,360	25,592
Accruals	20,753	21,488
Deferred income (note 13)	69,420	96,260
	176,651	200,732

Notes to the financial statements

For the year ended 31 March 2020

13 Deferred income

Deferred income totalling £69,420 represents funding received prior to the financial year end relating to services to be delivered in the period commencing 1 April 2020 from MACE Foundation/Mums Matter £10k, Connector Fund £21.7k, LEAP £27.7k and Complaints advocacy £10k.

	2020 £	2019 £
Balance at the beginning of the year	96,260	93,622
Amount released to income in the year	(96,260)	(93,622)
Amount deferred in the year	69,420	96,260
	<u>69,420</u>	<u>96,260</u>
Balance at the end of the year	<u>69,420</u>	<u>96,260</u>

14 Creditors: amounts falling due after one year

	2020 £	2019 £
Defined benefit pension liability	101,174	127,534
	<u>101,174</u>	<u>127,534</u>

The Pensions Trust advised in the last triennial valuation that MITHN are required to make annual contributions of £26,360 from April 2020 (2019: £25,592 from April 2019) with further payments set out in note 15 until August 2025, giving MITHN a total liability of £127,534 (2019: £153,126) of which £101,174 (2019: £127,534) is payable after one year.

15 Pension schemes**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.

15 Pension schemes (continued)

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

From 1 April 2016 to 30 September 2025:		£12,945,440 per annum	(payable monthly and increasing by 3% each year on 1st April)
From 1 April 2016 to 30 September 2028:		£54,560 per annum	(payable monthly and increasing by 3% each year on 1st April)
From 1 April 2019 to 31 January 2025:		£11,243,000 per annum	(payable monthly and increasing by 3% each year on 1st April)

Unless a concession has been agreed with the Trustee the term to 31 January 2025 applies.

The recovery plan contributions are allocated to each participating employer in line with their estimated share of the Series 1 and Series 2 scheme liabilities.

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 VALUES OF PROVISION

	31 March 2020 (£000s)	31 March 2019 (£000s)	31 March 2018 (£000s)	31 March 2017 (£000s)
Present value of provision (discounted)	127	154	176	198

RECONCILIATION OF OPENING AND CLOSING PROVISIONS

	Period Ending 31 March 2020 (£000s)	Period Ending 31 March 2019 (£000s)
Provision at start of period	154	176
Unwinding of the discount factor (interest expense)	2	3
Deficit contribution paid	(26)	(23)
Remeasurements – impact of any change in assumptions	(3)	1
Remeasurements – amendments to the contribution schedule	-	(3)
Provision at end of period	<u>127</u>	<u>154</u>

INCOME AND EXPENDITURE IMPACT

	Period Ending 31 March 2020 (£000s)	Period Ending 31 March 2019 (£000s)
Interest expense	2	3
Remeasurements – impact of any change in assumptions	(3)	1
Remeasurements – amendments to the contribution schedule	-	(3)
Contributions paid in respect of future service*	-	-
Costs recognised in income and expenditure account	<u>-</u>	<u>1</u>

*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.

Notes to the financial statements

For the year ended 31 March 2020

15 Pension schemes (continued)

	31 March 2020 % per	31 March 2019 % per annum	31 March 2018 % per annum	31 March 2017 % per annum
Rate of discount	2.53	1.39	1.71	1.32

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.

SCHEME: TPT Retirement Solutions – The Growth Plan

The following schedule details the deficit contributions agreed between the company and the scheme at each year end period:

DEFICIT CONTRIBUTIONS SCHEDULE

The non-discounted payments will be:

Year ending	31 March 2020 (£000s)	31 March 2019 (£000s)	31 March 2018 (£000s)	31 March 2017 (£000s)
Year 1	26	26	23	22
Year 2	27	26	23	23
Year 3	28	27	24	23
Year 4	29	28	25	24
Year 5	25	29	25	25
Year 6	-	25	26	25
Year 7	-	-	27	26
Year 8	-	-	14	27
Year 9	-	-	-	14
Year 10	-	-	-	-
	<u>135</u>	<u>161</u>	<u>187</u>	<u>209</u>

16a Analysis of net assets between funds (current year)

	General unrestricted £	Designated £	Restricted £	Total funds £
Tangible fixed assets		117,161	263,714	380,875
Net current assets	194,895	-	-	194,895
Long term liabilities	(101,174)	-	-	(101,174)
Net assets at the end of the year	<u>93,721</u>	<u>117,161</u>	<u>263,714</u>	<u>474,597</u>

16b Analysis of net assets between funds (prior year)

	General unrestricted £	Designated £	Restricted £	Total funds £
Tangible fixed assets	-	111,584	284,813	396,397
Net current assets	157,691	-	-	157,691
Long term liabilities	(127,534)	-	-	(127,534)
Net assets at the end of the year	<u>30,157</u>	<u>111,584</u>	<u>284,813</u>	<u>426,554</u>

17a Movements in funds (current year)

	At the start of the year £	Income and gains £	Expenditure and losses £	Transfers £	At the end of the year £
Restricted funds:					
Mums Matter	-	7,500	(7,500)	-	-
Connector Fund	-	14,199	(14,199)	-	-
Henry Smith	-	11,800	(11,800)	-	-
Big Lottery – LEAP	-	80,421	(80,421)	-	-
LBTH – Upskills	-	51,445	(51,445)	-	-
LBTH – Coping with life	-	15,300	(15,300)	-	-
Building fund	284,813	-	(21,099)	-	263,714
Total restricted funds	284,813	180,665	(201,764)	-	263,714
Unrestricted funds:					
Designated funds:					
Fixed asset funds	111,584	25,927	(20,350)	-	117,161
Total designated funds	111,584	25,927	(20,350)	-	117,161
General funds					
Excluding long term pension liability	157,691	1,834,597	(1,771,033)	(26,360)	194,895
Long term pension liability	(127,534)	-	-	26,360	(101,174)
Total general funds	30,157	1,834,597	(1,771,033)	-	93,721
Total unrestricted funds	141,741	1,860,524	(1,791,383)	-	210,882
Total funds	426,554	2,041,189	(1,993,147)	-	474,596

17b Movements in funds (prior year)

	At the start of the year £	Income and gains £	Expenditure and losses £	Transfers £	At the end of the year £
Restricted funds:					
Henry Smith	-	47,175	(47,175)	-	-
Big Lottery – LEAP	-	73,492	(73,492)	-	-
LBTH – Upskills	-	69,168	(69,168)	-	-
LBTH – Coping with life	-	30,600	(30,600)	-	-
Building fund	305,783	-	(20,970)	-	284,813
Total restricted funds	305,783	220,435	(241,405)	-	284,813
Unrestricted funds:					
Designated funds:					
Fixed asset funds	72,227	54,761	(15,404)	-	111,584
Total designated funds	72,227	54,761	(15,404)	-	111,584
General funds					
Excluding long term pension liability	185,080	1,426,606	(1,428,403)	(25,592)	157,691
Long term pension liability	(153,126)	-	-	25,592	(127,534)
Total general funds	31,954	1,426,606	(1,428,403)	-	30,157
Total unrestricted funds	104,181	1,481,367	(1,443,807)	-	141,741
Total funds	409,964	1,701,802	(1,685,212)	-	426,554

Purposes of restricted funds

Mums matter – This project works with Mums who are struggling with their mental health in the peri-natal period to build resilience and developing strategies to manage and improve their mental health, with a strong emphasis on peer support. All funding goes on direct costs i.e. salaries and wages.

Connector fund – Funding from National Mind to enable us to develop a Strategic Alliance with Havering Mind and to develop services in Redbridge and Barking and Dagenham Local Authorities who currently do not have a Local Mind Association. We have now been authorised to develop services within Redbridge under the Operating Name of Mind in Redbridge which is an exciting new development for 2020/21. All of the funding has gone on direct costs.

Henry Smith – This is funding offers a range of services and activities to promote recovery and wellbeing to beneficiaries residing in Newham. The team provides one to one support, group support, and access to Coping with Life training and workshops. A majority of the funding is spent on salaries and wages.

Big Lottery is funding the LEAP project. This programme offers Peer Leader Training opportunities as well as establishing a wide range of Peer Led groups across Tower Hamlets, Newham and Redbridge. From the funding £51k of the budget is spent on direct costs.

London Borough of Tower Hamlets funds the Upskill project/Working Well Trust. This service promotes access to work and supports people into training, work experience and work placements. All funding goes on direct costs i.e. salaries and wages.

London Borough of Tower Hamlets funds Coping with Life programme designed to provide beneficiaries with a clear understanding of their mental health and to build their resilience. All funding goes on direct costs, i.e salaries and wages.

Building fund – the balance above represents the long leasehold premises purchased by a restricted capital grant.

Purposes of designated funds

Fixed assets funds represents the net book value of the tangible fixed assets acquired using unrestricted funds.

18 Operating lease commitments

The charity's total future minimum lease payments under non-cancellable operating leases is as follows for each of the following periods

	Equipment 2020 £	2019 £
Less than one year	1,042	1,983
One to five years	3,865	3,966
	<u>4,907</u>	<u>5,949</u>

19 Legal status of the charity

The charity is a company limited by guarantee and has no share capital. The liability of each member in the event of winding up is limited to £1.