

HAMMERSMITH AND FULHAM ASSOCIATION FOR MENTAL HEALTH
(Known as Hammersmith, Fulham, Ealing and Hounslow Mind)

FINANCIAL STATEMENTS

FOR THE YEAR ENDED

31 MARCH 2020

Registered Charity Number: 801259
Registered Company Number: 02257523

**HAMMERSMITH AND FULHAM ASSOCIATION FOR MENTAL HEALTH
(Known as Hammersmith, Fulham, Ealing and Hounslow Mind)**

FOR THE YEAR ENDED 31 MARCH 2020

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**HAMMERSMITH AND FULHAM ASSOCIATION FOR MENTAL HEALTH
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REFERENCE AND ADMINISTRATIVE DETAILS

FOR THE YEAR ENDED 31 MARCH 2020

Board of Trustees	Zak Hulstrom Julie Pal Henal Parmar Tamara Quinn Kate Sherratt Deborah St.Clair-Thomas Kris Stromdale Jane Bullen Tim Newton Nicola Labuschagne Raja Saggi Duncan Lindsey	Appointed 16 May 2019 Chair - Appointed 29 January 2020 Appointed 16 May 2019 Appointed 16 May 2019 Appointed 18 September 2019 Appointed 16 May 2019 Treasurer - Appointed 16 May 2019 Resigned 29 January 2020 Resigned 16 May 2019 Resigned 29 January 2020 Resigned 2 October 2020 Resigned 29 January 2020
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Chief Executive Benn Keaveney

Company registration no. 02257523

Charity registration no. 801259

Registered office 309 Lillie Road
London
SW6 7LL

Auditor Sayer Vincent LLP
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Hammersmith London
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Solicitors Anthony Collins Solicitors LLP
134 Edmund Street
Birmingham
B3 2ES

**HAMMERSMITH AND FULHAM ASSOCIATION FOR MENTAL HEALTH
(Known as Hammersmith, Fulham, Ealing and Hounslow Mind)**

TRUSTEES' REPORT

FOR THE YEAR ENDED 31 MARCH 2020

The Board of Trustees, who act as Directors of the Charity for the purposes of Company Law, and Trustees for charity law purposes, submit their Annual Report and the Financial Statements of Hammersmith and Fulham Association for Mental Health for the year ended 31 March 2020. The Board of Trustees confirm that the Annual Report and Financial Statements of the Charity comply with current statutory requirements, the requirements of the Charity's governing document and the provisions of the Statement of Recommended Practice for Accounting and Reporting by Charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS102)-Charities SORP FRS102.

Objects

The objects of the Association are:

1. To work for and promote the preservation and safeguarding of mental health and the prevention and treatment of mental disorders among both adults and children; and
2. To work for and promote the study of research into mental health and mental disorders and to obtain and make records of and disseminate information concerning the same.

The Association is an affiliate of a network of local Mind associations, led by National Mind, the national campaigning organisation.

Activities

We are able to meet our objects through a combination of service provision and strategic influencing. Our wide range of services consists of activities which preserve, promote and safeguard individuals' mental health. Some examples of these services are health promotion with young people in schools, training in the workplace, or community-based activities such as advocacy, advice and information. Our work in strategic influencing further reaches object 1) by putting the voices of people with mental health problems, and our own professional opinions into a wide variety of settings where the design and delivery of services can be influenced for the betterment of people with mental health problems. It is through this work that we are able to meet object 2) by Influencing commissioning bodies and the West London Transformation Board.

Public Benefit

The Association provides services to benefit those with mental health problems. People with serious mental health issues are one of the most excluded groups in society with an employment rate below 20%. Around 1 in 4 of the population will have a mental health problem at some time in their life and stress is the leading cause of workplace sickness. Around a third of all GP time is taken up seeing people with mental health problems.

Mental health problems can have a devastating effect on peoples' lives and the goals of the Association are both to prevent mental health problems escalating where this can be avoided and supporting recovery if the mental health problem has become serious. Our projects are in 3 categories:

1. Preventing mental health problems escalating. These are of public benefit in preventing unnecessary distress for those affected, avoiding unnecessary expenditure in the health and benefits systems and improving the efficiency of the workplace by reducing sickness and staff turnover. Relevant services are:
 - Education in schools on mental health for both pupils and teaching staff;
 - Workplace Training.

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TRUSTEES' REPORT (continued)

FOR THE YEAR ENDED 31 MARCH 2020

2. Supporting people with mental health problems through the secondary mental health system. These are of public benefit in improving the quality of services delivered and aiding recovery through service users having a voice to influence what happens to them. Relevant services are:
 - Advocacy
 - Education in schools on mental health
 - Information and Advise
 - Service user involvement.

3. Supporting the recovery process. These services are of public benefit in preventing relapse, building wellbeing and, where possible, helping service users move on to independence and away from benefits. Relevant services are:
 - Advice and information.
 - Counselling (via sub- contracted arrangement)

All services are carefully risk-assessed to avoid doing harm. In addition, service users are involved as far as possible in every aspect of the organisation's activity to ensure services meet their needs. All projects are in line with our objects.

Our workplace training is a service provided to organisations and for which we charge a fee. This income allows us to increase the support we provide to people across the organisation in line with our objectives.

The Board of Trustees confirm that they have referred to the guidance contained in the Charity Commission's guidance on public benefit when reviewing the Association's objectives and in planning activities for the year and future periods.

Achievements and Performance

COVID has had a profound impact on the communities we serve.

Prior to the COVID crisis, 2019/20 saw Hammersmith and Fulham Mind (HFM) move ahead on all fronts. The charity has grown in size, reach and influence. Through our diverse range of services, we have impacted over 6,000 people with mental health problems.

In response to the COVID crisis, the charity was able to put in place a contingency plan to move its workforce to a home setting with the minimum of disruption to our service users. Commissioners, partners, service users were informed and our teams continue to provide a service virtually.

Our ability to adapt to the crises enabled us to accelerate our digital presence as clearly illustrated through development and launch of our TV channel (My-Mind TV) for preventative work on mental health wellbeing particularly with young people. Since its launch we are looking to extend our reach through targeting other vulnerable communities and expand through partnership with other likeminded organisations.

Transfer of Mind in Ealing and Hounslow

After over-seeing the work of the local Mind in Ealing and Hounslow (MEH), under a collaboration agreement, from the 9th October 2019 all the activities of MEH have been transferred and integrated with those of HFM. HFM now covers work in the four boroughs of Hammersmith, Fulham, Ealing and Hounslow. The transfer was agreed by our parent Mind company as well as local Commissioners in the Ealing and Hounslow boroughs.

To prepare for expansion, the organisation has undertaken an independent business feasibility study for the

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TRUSTEES' REPORT (continued)

FOR THE YEAR ENDED 31 MARCH 2020

new boroughs of work. As part of this preparation a skills audit was undertaken of the Board and Trustees draw from on the combined resource of both HFM and EHM Boards. The selection process was undertaken by an independent consultancy group and also included the recruitment for a new chair. This was successfully completed and Julie Pal was made Chair on the 29th January 2020.

Further a new management structure was implemented to facilitate the expansion of our operations and support services. This streamlined our joint organisations to enable growth and expansions in the boroughs of West London

Youth Services

Prior to the transfer HFM had been successful in winning two national funded 'Trailblazer' bids, where we provide direct one-to-one work with children and young people in schools on mental health related issues. The success of gaining this joint work with NHS London means that our Youth Team has expanded from 5 in 2018/19 to 21 in the year. These new posts include clinical psychologists and a family therapist significantly improving the depth of our work with young people.

This formed part of a national pilot to improve mental health in schools, requiring the coming together of agencies working in both the statutory and non-statutory sectors. Our Trailblazer was one of the first in London to go live and with the support our commissioners, we were able to adapt our projects accordingly to respond to mobilisation roll out of staff.

In the fields of Employment and in Education support we secured continued funding for In-Education Support in partnership with West London College and West London Student Trust. This means students in this setting with mental health problems can continue to get the vital one to one and group support they need to safeguard their mental health.

In addition to this we won funding to provide mental health awareness and resilience workshops in schools locally through a new service, 'Learn Well'. We continued to work strategically in the area of young peoples' mental health through the Children and Young Persons' Mental Health Task Force. We have been able to build our Youth Services provision with support for Children and Adolescents (CAMHS), across a tri-borough Collaboration.

Adult Services

As we expanded our youth services, we are obliged, as contracts changed, to adapt our adult services. We now provide a small, but growing Information and Advice Service covering Fulham and an Advocacy Service covering Hounslow as well, a community and prison-based advocacy. We also offer specialist employment advice.

As part of our restructure, we first undertook a quality and system review by an independent consultant. This set out a clear improvement plan over the last year and has been completed by our Head of Adult Services. The restructure process also incorporated strengthening our Human Resource, data management and quality capacity.

Training and Consultancy

We continued to diversify and grow our income streams through our social enterprises. Well at Work, our training and consultancy service for Employers and corporates, we strengthened the management of the function aimed at developing its customer base, tailoring its service to the needs of the customer and in doing so cope better in an increasingly competitive environment.

Unfortunately, these plans were significantly affected by COVID but again quick adaptations to the business in proving virtual training courses and taking up the Furlough scheme greatly assisted in proving a way through. We have been successful in adapting and providing our training and consultancy services in light of the health crisis as we look to expand our service to supporting NHS staff during the coming year.

Our Counselling service continued to be able to offer services to people with emotional difficulties via our partner

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TRUSTEES' REPORT (continued)

FOR THE YEAR ENDED 31 MARCH 2020

Headstrong Counselling.

Aside from each service delivery we have continued to work strategically through London Borough of Hammersmith and Fulham mental health steering groups, primary care mental health steering group, West London Mental Health Trust Transformation Board. Further changes in the commissioning landscape as set out by NHS future plans has intensified our collaboration with other local MINDS in the North West region of London.

Financially, the transfer of the assets and liabilities of MEH has strengthened our balance sheet. Unrestricted reserves after the Pension Provision of £353K are now within the range set by the Trustees of £320K.

We are also now in a position to raise the profile of the organisation by attracting more volunteers and expanding the sources of finance which helped us reach and support those residents of the Boroughs served living the experience of mental health issues.

All of us at Hammersmith, Fulham, Ealing and Hounslow Mind (HFEHM) reaffirmed our mission statement this year to enhance, remedy, maintain and protect the mental health of the residents. We have identified four key values which our projects and initiatives will work to. These are:

- Supporting empowerment;
- Combatting stigma;
- Promoting wellbeing;
- Aiding recovery and re-integration into the community.

FINANCIAL REVIEW

Over the last year HFEHM has grown significantly. Income has increased from £1.56m last year to £2.23m in 2019/20 and can be attributed to commencement of the two Trailblazer contracts (£1,085k) and adoption of the Ealing and Hounslow contracts £212k during the year. The increase in income has been offset by Adult Services recording a fall in income of £374K (£685K in 2018/19 to £311k in 2019/20).

Correspondingly expenditure increased from £1.35m in 2018/19 to £1.99M in 2019/20, While support costs have increased from £426K to £509K year on year, the increase is attributed to a re-organisation of Central Services.

Net movement of unrestricted funds amounted to a surplus of £182k of which £122k related to the transfer of Ealing and Hounslow Mind. Likewise net movement in restricted funds showed a surplus of £82k to give an overall increase in reserves of £264k.

The growth of the organisation is also reflected in the balance sheet with debtors increasing year on year (£366k in 2018/19 to £617k in 2019/20) and fixed assets in the form of computers from £21k to £58k in 2019/20. Cash in bank and creditors has remained relatively stable year on year.

Hammersmith and Fulham Mind participates in a defined benefit pension scheme administered by The Pensions Trust. This year, the liability has reduced by £24k, and the Pension Fund Provision has been adjusted down to £151k. The service deficit payment plan issued by the Pensions Trust involves payment over a ten year period at an average of £25k p.a., which the trustees are confident that cashflows will be able to meet. We remain hopeful that this issue, affecting so many charities, will be resolved soon.

The Trustees note this liability, which is further analysed in note 22 to the financial statements. The Trustees are aware that the deficit on the scheme will fluctuate with changing market conditions and that their responsibility is to meet the required contribution rates, which are built into the annual budgetary processes of the Charity. The cashflow projections are annually calculated to reflect these continuing service deficit repayments. The Trustees do not consider this deficit to represent an immediate demand on the Charity's funds and do not, therefore, consider that there are any resultant limitations on resources available for general

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TRUSTEES' REPORT (continued)

FOR THE YEAR ENDED 31 MARCH 2020

application or on the application of any restricted income funds. The restricted income funds have limitations that mean that they cannot be used to contribute towards any additional resource requirements of the Charity's unrestricted funds arising from the pension scheme deficit. We will continue to review and rigorously monitor our pension fund liabilities.

Reserves

Under the requirements of the Statement of Recommended Practice on Accounting and Reporting by Charities, Hammersmith and Fulham Association for Mental Health segregates its funds into those which are restricted and those which are unrestricted. A further description of these funds and how they are further segregated to include the General Reserve is included within Note 18 to the accounts. Total funds for the Charity as at 31 March 2020 were £694k, split between restricted reserves of £203k and unrestricted reserves of £491K (as at 31 March 2019 total reserves were £430K, £121K restricted, £309K unrestricted).

In line with current best practice, the Trustees have, in reviewing Hammersmith and Fulham Association for Mental Health's Reserves Policy, considered the financial impact of those risks identified as part of the on-going risk management process. The Board of Trustees has agreed that the Association, in addition to any restricted or designated reserves and commitments to, and investment in, tangible fixed assets, should have unrestricted general fund reserves equal to three months of operating costs. This equates to some £330k. Given the variety of funding streams, the Trustees have determined that this would be sufficient to enable the Association to manage any likely eventuality.

Unrestricted reserves of £491k is made up of £147K designated reserves and £344K general reserves (after pension liabilities of £151K) and is sufficient to cover the 3 months operating expenditure required by Trustees. Last year in order to give a level of security during the period of the reorganisation, the Trustees designated the legacy funds received in the year of £178K. During the year £90k was released being amounts spent on the re-organisation and assistance on the transfer of MEH.

Fundraising

The Charity has not made any fundraising appeals to the general public during the year, and as a result there has been no outsourced fundraising via professional fundraisers or other third parties. Consequently, the charity is not registered with the fundraising regulator and received no fundraising complaints in the year.

Plans for future periods

- To respond to the COVID crisis
- Work with neighboring Local Minds in the new North West London region which will be commissioned in 2020 by the new STP Strategic Transformation Partnership
- Following the transfer expand our services into Ealing and Hounslow.
- Expanding our engagement and partnerships with schools and colleges to improve early intervention via our Trailblazer - Whole School approach and Be Kind to You Mind programmes.
- Increasing our reach by building partnerships with local organisations and locally based larger organisations.
- Consolidating our position within the Shifting Settings of Care to ensure effective working with GPs and primary services as both commissioning and care continues to move in that direction.
- Increasing our diversity of funding streams and looking at new business opportunities to increase our financial resources within the boroughs we serve and the wider West London area.
- To operate collaboratively within the new formed Mind in London organisation to create multi borough responses on mental health services

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TRUSTEES' REPORT (continued)

FOR THE YEAR ENDED 31 MARCH 2020

Risk Management and Key Policies

The Board of Trustees have overall responsibility for risk management and Trustees review the analysis, assessment and management of risks on a quarterly basis. To assist in the close monitoring of risk the remit of the Clinical Subcommittee has been expanded to include the systematic review of risk, alongside considerations of strategic direction. Major risks to which the charity is exposed have been reviewed and actions taken in mitigation. The major risks identified include:

- 1) COVID Crisis – The pandemic has had a profound impact on the communities we serve and how the organisation operates, the risk that the organisation is unable to react to the changes in its operating environment. We have been successful in moving our business online, in the meeting of beneficiaries, providing on-line training sessions and development of the TV channel. Our risk management strategies are being continually assessed as the pandemic and government intervention evolves.
- 2) Safeguarding – A impact of the pandemic has been the numbers of safeguarding incidents we are required to report have risen significantly, overwhelming our staff and our capacity to serve. Through the employment of specialists staff in this field has substantially improved our capacity alongside greater attention being given to how such instances are recorded is improving our coping mechanisms. Progress is being continually assessed to enhancing our systems and approaches to this difficult issue
- 3) Managing Growth – Growth has come in the form of being awarded two Trailblazers projects. As these projects are now fully resourced, time is being spent on consolidating on this increased capacity to deliver meaningful interventions in schools covered by the projects.

STRUCTURE, GOVERNANCE AND MANAGEMENT

Hammersmith and Fulham Association for Mental Health is a charitable company (no. 801259) governed by Articles of Association agreed by its members and controlled by a Board of Trustees elected at an Annual General Meeting. Membership of the Association is obtained through application and payment of a membership fee and the decision to accept or reject an application rests with the trustees. Any member is entitled to stand for election as a Trustee at the Annual General Meeting. One third of the Trustees are required to retire automatically each year and to stand for re-election if they wish to continue. The Chair, Vice- Chair and Honorary Treasurer are elected annually at the Annual General Meeting.

The Board of Trustees usually meets between four and six times per year. The quorum for the transaction of business of the Board of Trustees is five. Subject to the objects and powers designated by the Articles, the Board members are empowered to control the business as they deem fit and to appoint new trustees. Trustees are a mix of people with relevant experience, people of standing in the local community and users of the services of the Association. Trustees have received some training in governance and roles and responsibilities. The Board continues to keep under review risks arising from all areas of operations. The day to day running of the charity is delegated to the CEO.

Salary Policy for Key Management Personnel

Salaries are set in accordance with our salary policy which takes into account a variety of different factors including, line management responsibility, autonomy, specialism and benchmarking. The Human Resources Sub Committee oversees and reviews this and other policies in line with Mind Quality Mark. The pay of Key Management personnel is approved by Trustees.

STATEMENT OF TRUSTEES' RESPONSIBILITIES

The Trustees (who are also directors of Hammersmith and Fulham Association for Mental Health for the purposes of company law) are responsible for preparing the Board of Trustees' Report (incorporating a Directors' 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. Under that law the Trustees have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted

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TRUSTEES' REPORT (continued)

FOR THE YEAR ENDED 31 MARCH 2020

Accounting Practice (United Kingdom Accounting Standards and applicable law). Under company law the Trustees must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the company and the result of the company for that period.

In preparing these financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgments and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- observe the methods and principles in charity SORP;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The Trustees are responsible for keeping adequate accounting records that are sufficient to show and explain the company's transactions and disclose with reasonable accuracy at any time the financial position of the 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 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 company's auditor is 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 auditor is aware of that information.

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

SMALL COMPANY PROVISIONS

This report has been prepared in accordance with the special provisions for small companies under part 15 of the Companies Act 2006.

Approved by the Board on 22 October 2020 and signed on its behalf



Julie Pal
Chair

Independent auditors' report

To the members of

HAMMERSMITH AND FULHAM ASSOCIATION FOR MENTAL HEALTH (Known as Hammersmith, Fulham, Ealing and Hounslow Mind)

Independent auditor's report to the members of Hammersmith and Fulham Association for Mental Health

Opinion

We have audited the financial statements of Hammersmith and Fulham Association for Mental Health (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 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 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 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

Independent auditors' report

To the members of

HAMMERSMITH AND FULHAM ASSOCIATION FOR MENTAL HEALTH (Known as Hammersmith, Fulham, Ealing and Hounslow Mind)

- 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 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 on the basis of 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.

Independent auditors' report

To the members of

HAMMERSMITH AND FULHAM ASSOCIATION FOR MENTAL HEALTH
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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.



Noelia Serrano (Senior statutory auditor)

20 November 2020

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

Hammersmith and Fulham Association for Mental Health
(Known as Hammersmith, Fulham, Ealing and Hounslow Mind)

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	160,119	–	160,119	206,628	–	206,628
Charitable activities							
Adult Services	3	246,811	64,179	310,990	660,497	24,182	684,679
Youth Services	3	435,800	1,196,151	1,631,951	157,058	260,454	417,512
Training & Consultancy	3	130,845	–	130,845	193,187	–	193,187
Other trading activities	4	–	–	–	60,394	–	60,394
Investments	5	1,085	–	1,085	181	–	109
Total income		974,660	1,260,330	2,234,990	1,277,945	284,636	1,562,581
Expenditure on:							
Charitable activities							
Adult Services	6	358,383	64,179	422,562	662,921	69,485	732,406
Youth Services	6	220,012	1,113,933	1,333,945	246,327	122,030	368,357
Training and Consultancy	6	205,908	–	205,908	250,377	–	250,377
Total expenditure		784,303	1,178,112	1,962,415	1,159,625	191,515	1,351,140
Net income before Movement on Pension Provision		190,357	82,218	272,575	118,320	93,121	211,441
Movement on Pension Provision	22	(8,735)	–	(8,735)	–	–	–
Net movement in funds	18	181,622	82,218	263,840	118,320	93,121	211,441
Reconciliation of funds:							
Total funds brought forward		309,397	120,984	430,381	191,077	27,863	218,940
Total funds carried forward		491,019	203,202	694,221	309,397	120,984	430,381

Notes on pages 20 to 33 form part of the financial statements.

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 25 to the financial statements.

Hammersmith and Fulham Association for Mental Health
(Known as Hammersmith, Fulham, Ealing and Hounslow Mind)

Balance sheet

Company no. 02257523

As at 31 March 2020

	Note	£	2020 £	£	2019 £
Fixed assets:					
Tangible assets	12		57,524		20,614
			<u>57,524</u>		<u>20,614</u>
Current assets:					
Debtors	13	617,348		366,043	
Cash at bank and in hand		347,229		383,796	
		<u>964,577</u>		<u>749,839</u>	
Liabilities:					
Creditors: amounts falling due within one year	14	(208,485)		(198,177)	
			<u>756,092</u>		<u>551,662</u>
Net current assets					
			<u>813,616</u>		<u>572,276</u>
Total assets less current liabilities					
Provision of Pension Liability	16		(119,395)		(141,895)
			<u>694,221</u>		<u>430,381</u>
Total net assets					
			<u><u>694,221</u></u>		<u><u>430,381</u></u>
The funds of the charity:	18				
Restricted income funds			203,202		120,984
Unrestricted income funds:					
Designated funds		146,984		199,604	
General funds		494,663		284,793	
Pension reserve		(150,628)		(175,000)	
			<u>491,019</u>		<u>309,397</u>
Total unrestricted funds					
			<u>694,221</u>		<u>430,381</u>
Total charity funds			<u><u>694,221</u></u>		<u><u>430,381</u></u>

The financial statements are prepared in accordance with the special provisions of Part 15 of the Companies Act 2006 relating to small companies.

Approved and authorised for issue by the trustees on 22 October 2020 and signed on their behalf by



Kris Stromdale
Treasurer

Hammersmith and Fulham Association for Mental Health
(Known as Hammersmith, Fulham, Ealing and Hounslow Mind)

Statement of cash flows

For the year ended 31 March 2020

	Note	2020 £	£	2019 £	£
Cash flows from operating activities					
Net income for the reporting period (as per the statement of financial activities)			263,840		211,441
Depreciation charges		15,573		4,762	
Movement on Pension Provision		(22,500)		(25,000)	
Dividends, interest and rent from investments		(1,085)		(181)	
(Increase)/decrease in debtors		(251,304)		5,455	
Increase/(decrease) in creditors		10,308		(254,220)	
			(249,008)		(269,184)
Net cash provided by / (used in) operating activities			14,832		(57,743)
Cash flows from investing activities:					
Dividends, interest and rents from investments		1,085		181	
Purchase of fixed assets		(52,484)		(14,233)	
Net cash used in investing activities			(51,399)		(14,052)
Change in cash and cash equivalents in the year			(36,567)		(71,795)
Cash and cash equivalents at the beginning of the year			383,796		455,591
Cash and cash equivalents at the end of the year			347,229		383,796
Analysis of cash and cash equivalents					
	At 1 April 2019 £	Cash flows £	Other changes £	At 31 March 2020 £	
Cash in hand	383,796	(36,567)	-	347,229	
Total cash and cash equivalents	383,796	(36,567)	-	347,229	

Notes to the financial statements

For the year ended 31 March 2020

1 Accounting policies

a) Statement of Compliance

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. Within the year Hammersmith and Fulham Association for Mental Health acquired Mind Ealing and Hounslow. The transfer value of Mind Ealing and Hounslow reflects the net assets up to 30th Septmebr 2019. this has been included as a donations within the SOFA.

b) General Information:

The charity is a private company limited by guarantee, incorporated in England and Wales (company number: 02257523) and a charity registered in England and Wales (charity number: 801259). The charity's registered office is 309 Lillie Road, London, SW6 7LL.

c) Public benefit entity

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

d) Going concern

The trustees have considered the impact of Covid – 19 in assesing that there are no material uncertainties about the charitable company's ability to continue as a going concern.

e) Key judgments and uncertainties

Apart from the provision for the pension scheme liability as noted in the Trustees' Report, the trustees do not consider that there are any other sources of estimation uncertainty at the reporting date that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next reporting period.

f) Income

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 from government and other grants, whether 'capital' grants or 'revenue' grants, is recognised when the charity has entitlement to the funds, any performance conditions attached to the grants have been met, it is probable that the income will be received and the amount can be measured reliably and is not deferred.

For legacies, entitlement is taken as the earlier of the date on which either: the charity is aware that probate has been granted, the estate has been finalised and notification has been made by the executor(s) to the charity that a distribution will be made, or when a distribution is received from the estate. Receipt of a legacy, in whole or in part, is only considered probable when the amount can be measured reliably and the charity has been notified of the executor's intention to make a distribution. Where legacies have been notified to the charity, or the charity is aware of the granting of probate, and the criteria for income recognition have not been met, then the legacy is a treated as a contingent asset and disclosed if material.

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

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.

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 funds are donations and other incoming resources received or generated for the charitable purposes.

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

Notes to the financial statements

For the year ended 31 March 2020

1 Accounting policies (continued)

i) Expenditure and irrecoverable VAT

- Expenditure on charitable activities includes the costs of directly delivering the charitable activities.
- Irrecoverable VAT is charged as a cost against the activity for which the expenditure was incurred.

j) Allocation of support costs

Resources expended are allocated to the particular activity where the cost relates directly to that activity. However, the support 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 staff time attributable to each activity. Support costs represent 25.8% of total expenditure (2018/19 – 31%).

k) Operating leases

Rental charges are charged on a straight line basis over the term of the lease.

l) Tangible fixed assets

Items of equipment are capitalised where the purchase price exceeds £750. Depreciation costs are allocated to central costs. Assets are reviewed for impairment if circumstances indicate their carrying value may exceed their net realisable value and value in use.

The assets are depreciated at the following rates:

- | | |
|-------------------------|---------|
| ● Fixtures and Fittings | 5 years |
| ● Computer Equipment | 3 Years |

m) Financial Investments:

Basic financial instruments are transactions that result in the recognition of financial assets and liabilities. The trade and other accounts receivables and payables are accounted for on the following basis:

n) 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.

o) Cash at bank and in hand

Cash at bank and cash in hand includes cash and short term savings accounts. Cash balances exclude any funds held on behalf of service users.

p) 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.

q) Employee Benefits: Pensions

Hammersmith, Fulham, Ealing and Hounslow Mind ran a Defined Benefit Scheme administered by The Pensions Trust. The Pensions Trust ran a multiple scheme for small organisations involved in social, educational, charitable, voluntary or similar work. The financial position and the income and expenditure of The Pensions Trust are disclosed in its annual financial statements. A shortfall has occurred on this scheme and each participating company in the scheme is required to make good their share of the shortfall. The liability is reduced when payments are made to The Pension Trust. In October 2015, an Auto-Enrolment Workplace Pension Scheme was set up for all employees on a Defined Contribution basis.

r) Short Term benefits

Short term benefits including holiday pay are recognised in the period in which the service is received.

Hammersmith and Fulham Association for Mental Health
(Known as Hammersmith, Fulham, Ealing and Hounslow Mind)

Notes to the financial statements

For the year ended 31 March 2020

2 Income from donations and legacies (all unrestricted)

	2020 Total £	2019 Total £
Donations	37,993	27,639
Transfer of Mind in Ealing and Hounslow (Note 21)	122,126	-
Legacies	-	178,989
	160,119	206,628

3 Income from charitable activities

	2020			2019		
	Unrestricted £	Restricted £	Total £	Unrestricted £	Restricted £	Total £
Adult Services	246,811	64,179	310,990	660,497	24,182	684,679
Youth Services	435,800	1,196,151	1,631,951	157,058	260,454	417,512
Training & Consultancy	130,845	-	130,845	193,187	-	193,187
	813,456	1,260,330	2,073,786	1,010,742	284,636	1,295,378

4 Other Trading Activities

	2020 Total £	2019 Total £
Amounts invoiced to Mind Ealing and Hounslow	-	60,394
	-	60,394

5 Investment Income

	2020 Total £	2019 Total £
Bank Interest income	1,085	181
	1,085	181

Notes to the financial statements

For the year ended 31 March 2020

6a Analysis of total expenditure

	Staff	Other	Support	2020 Total
	£	£	£	£
Adult Services	250,595	54,922	117,045	422,562
Youth Services	650,873	379,066	304,006	1,333,945
Training and Consultancy	118,733	31,717	55,458	205,908
Support Costs	249,464	227,045	(476,509)	-
Total Expenditure	1,269,665	692,750	-	1,962,415

Analysis of total expenditure (2019)

	Staff	Other	Support	2019 Total
	£	£	£	£
Adult Services	361,522	155,074	215,810	732,406
Youth Services	179,196	82,190	106,971	368,357
Training and Consultancy	131,740	39,995	78,642	250,377
Support Costs	315,492	85,931	(401,423)	-
Total Expenditure	987,950	363,190	-	1,351,140

6b Analysis of Support Costs

	2020 Total	2019 Total
	£	£
Space and Office Costs	64,427	52,356
Management and Personnel Costs	364,605	256,643
Staff related costs	7,138	14,821
IT Costs	9,276	13,387
Legal and professional costs	15,893	17,135
Governance Costs	11,070	14,163
Other Support Costs	4,100	32,918
Total Support Costs	476,509	401,423

6c Analysis of Governance Costs

	2020 Total	2019 Total
	£	£
Auditor's fees	11,970	10,140
Trustee expenses	-	-
Staff support costs	-	4,023
Total Governance Costs	11,970	14,183

Notes to the financial statements

For the year ended 31 March 2020

7 Net income for the year

This is stated after charging / crediting:

	2020 £	2019 £
Depreciation	15,573	4,762
Operating lease rentals:		
Property	46,163	51,769
Other	1,154	778
Auditors' remuneration (excluding VAT):		
Audit	8,640	8,600
	<u>8,640</u>	<u>8,600</u>

8

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	1,118,679	877,148
Social security costs	107,937	73,993
Employer's contribution to defined contribution pension schemes	18,677	11,809
Operating costs of defined benefit pension schemes	24,372	25,000
	<u>1,269,665</u>	<u>987,950</u>

No employee earned more than £60,000 during the year (2019: nil).

The total employee benefits including pension contributions of the key management personnel were £253,405 (2019:£284,760), split as follows: Salaries £ 222,613, Social Security Costs £25,339, and Pensions £5,453.

The organisation paid redundancy costs of £8,430 (2019 – £7,350).

The charity trustees were not paid or received 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).

Trustees' expenses represents the payment or reimbursement of travel and subsistence costs totalling £Nil (2019: £Nil).

Notes to the financial statements

For the year ended 31 March 2020

9 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.
Adult Services	10	20
Youth Services	21	5
Training and Consultancy	3	4
Support Services	7	5
	41	34
	41	34

10 Related party transactions

There were no related party transactions to disclose for 2020. (2019: £nil).

11 Taxation

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

12 Tangible fixed assets

	Fixtures and fittings £	Computer equipment £	Total £
Cost or valuation			
At the start of the year	21,233	12,928	34,161
Additions in year	2,923	49,561	52,484
Disposals in year	-	-	-
	24,156	62,489	86,645
At the end of the year	24,156	62,489	86,645
	3,829	9,719	13,548
At the start of the year	3,829	9,719	13,548
Charge for the year	4,509	11,064	15,573
Eliminated on disposal	-	-	-
	8,338	20,783	29,121
At the end of the year	8,338	20,783	29,121
Net book value			
At the end of the year	15,818	41,706	57,524
At the start of the year	17,404	3,209	20,613

All of the above assets are used for charitable purposes.

Hammersmith and Fulham Association for Mental Health
(Known as Hammersmith, Fulham, Ealing and Hounslow Mind)

Notes to the financial statements

For the year ended 31 March 2020

13 Debtors

	2020 £	2019 £
Trade debtors	608,302	350,323
Other debtors	1,107	5,646
Prepayments	7,939	10,074
	<u>617,348</u>	<u>366,043</u>

14 Creditors: amounts falling due within one year

	2020 £	2019 £
Trade creditors	51,463	59,958
Taxation and social security	43,644	19,449
Other creditors	-	5,202
Accruals	24,749	17,929
Deferred income (Note 15)	57,396	62,534
Pension Provision within one year	31,233	33,105
	<u>208,485</u>	<u>198,177</u>

15 Deferred income

	2020 £	2019 £
Balance at the beginning of the year	62,534	175,056
Amount released to income in the year	(62,534)	(175,056)
Amount deferred in the year	57,396	62,534
	<u>57,396</u>	<u>62,534</u>

The income deferred relate to amounts invoiced in advance for services to be undertaken in 2020/21.

Notes to the financial statements

For the year ended 31 March 2020

16 Pension Provision > 1year

	2020 £	2019 £
Pension Provision	119,395	141,895
	<u>119,395</u>	<u>141,895</u>

Hammersmith, Fulham, Ealing and Hounslow Mind ran a Defined Benefit Scheme administered by The Pensions Trust. The Pensions Trust ran a multiple scheme for small organisations involved in social, educational, charitable, voluntary or similar work. The financial position and the income and expenditure of The Pensions Trust are disclosed in its annual financial statements. A shortfall has occurred on this scheme and each participating company in the scheme is required to make good their share of the shortfall. The liability is reduced when payments are made to The Pension Trust. In October 2015, an Auto-Enrolment Workplace Pension Scheme was set up for all employees on a Defined Contribution basis.

17 Analysis of net assets between funds

	Designated £	General £	Restricted £	Total funds £
Tangible fixed assets	57,524	-	-	57,524
Net current assets	89,460	463,430	203,202	756,092
Pension Provision	-	(119,395)	-	(119,395)
	<u>146,984</u>	<u>344,035</u>	<u>203,202</u>	<u>694,221</u>
Net assets at the end of the year	146,984	344,035	203,202	694,221
Comparative Analysis of net assets between funds (2019)				
	Designated £	General £	Restricted £	Total funds £
Tangible fixed assets	20,614	-	-	20,614
Net current assets	178,990	251,688	120,984	551,662
Pension Provision	-	(141,895)	-	(141,895)
	<u>199,604</u>	<u>109,793</u>	<u>120,984</u>	<u>430,381</u>
Net assets at the end of the year	199,604	109,793	120,984	430,381

Hammersmith and Fulham Association for Mental Health
(Known as Hammersmith, Fulham, Ealing and Hounslow Mind)

Notes to the financial statements

For the year ended 31 March 2020

18 Movements in funds

	At the start of the year £	Income £	Expenditure £	Transfers £	At the end of the year £
Restricted funds:					
Trailblazers West London	91,471	764,542	(662,123)	-	193,890
Trailblazers Hammersmith & Fulham	-	320,198	(320,198)	-	-
Whole School Approach	29,513	111,411	(131,612)	-	9,312
BBO Employment Project with National Mind	-	64,179	(64,179)	-	-
Total restricted funds	120,984	1,260,330	(1,178,112)	-	203,202
Unrestricted funds:					
Designated funds:					
Fixed Assets	20,615	-	-	36,909	57,524
Legacy	178,989	-	-	(89,529)	89,460
Total designated funds	199,604	-	-	(52,620)	146,984
Pension Reserve	(175,000)	-	24,372	-	(150,628)
General funds	284,793	974,660	(817,410)	52,620	494,663
Total unrestricted funds	309,397	974,660	(793,038)	-	491,019
Total funds including pension fund	430,381	2,234,990	(1,971,150)	-	694,221

Notes to the financial statements

For the year ended 31 March 2020

Purposes of restricted funds

Trailblazers relates to two grants for the provision of mental health support teams in educational settings, funded by the local Clinical Commission Groups of the NHS covering the areas of West London and Hammersmith and Fulham.

Whole School Approach is a Mind National funded grant for the early intervention of mental health support to a range of education settings: primary, secondary, free school, special school, 6th form college, further education colleges and the wider school community (parents and carers).

Purposes of designated funds

The Fixed Assets Fund reflects capitalised equipment purchased by using unrestricted fund or Capital grants where there is no continuing restriction as to use. The balance carried forward is equal to the net book value of the related fixed assets.

In 2018/19 the charity was in receipt of a legacy and at the time the purpose had not been specified by the Trustees. During 2019/20 £89,530 has been utilised in the reorganisation of central services, developing the capacity of the senior management team and in the transfer of Mind Ealing and Hounslow.

Comparative Movement in Funds (2019)

	At the start of the year £	Income £	expenditure and Movements in Pension Provision £	Transfers £	At the end of the year £
Restricted funds:					
CityFix/CHS	7,207	-	(7,207)	-	-
Advocacy	151	-	(151)	-	-
Advocacy-Wormwood	1,867	-	(1,867)	-	-
Education Support J Lyon and West	23	-	(23)	-	-
Prior year Adjustment	18,615	-	(18,615)	-	-
Trailblazers	-	181,837	(90,366)	-	91,471
Whole School Approach	-	78,617	(49,104)	-	29,513
BBO Employment Project with National	-	24,182	(24,182)	-	-
Total restricted funds	27,863	284,636	(191,515)	-	120,984

Hammersmith and Fulham Association for Mental Health
(Known as Hammersmith, Fulham, Ealing and Hounslow Mind)

Notes to the financial statements

For the year ended 31 March 2020

Unrestricted funds:

Designated funds:

Fixed Assets	11,142	-	-	9,473	20,615
Legacy	-	178,989	-	-	178,989

Total designated funds	11,142	178,989	-	9,473	199,604
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Pension Reserve	(200,000)	-	25,000	-	(175,000)
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General funds	379,935	1,098,956	(1,184,625)	(9,473)	284,793
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Total unrestricted funds	191,077	1,277,945	(1,159,625)	-	309,397
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Total funds including pension fund	218,940	1,562,581	(1,351,140)	-	430,381
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19 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

	Property		Equipment	
	2020	2019	2020	2019
	£	£	£	£
Less than one year	42,000	42,000	1,368	648
One to five years	98,750	143,750	3,493	2,269
Over five years	-	-	-	-
Total Operating Lease commitment	140,750	185,750	4,861	2,917

**Hammersmith and Fulham Association for Mental Health
(Known as Hammersmith, Fulham, Ealing and Hounslow Mind)**

Notes to the financial statements

For the year ended 31 March 2020

20 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.

21 Transfer of Mind in Ealing and Hounslow

On the 9th October 2019, Mind in Ealing and Hounslow Limited (No 02307854) agreed the transfer of its business and net assets to Hammersmith and Fulham Association for Mental Health. The assets and liabilities of Mind Ealing and Hounslow consisted of;

Debtors	47,086
Cash at bank and in hand	78,997
Creditors falling due within 1 year	(3,957)
Net assets transferred	<u><u>122,126</u></u>

Notes to the financial statements

For the year ended 31 March 2020

22. 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.

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 2019 to 30 September 2025:	£11,243,000 per annum	(payable monthly and increasing by 3% each year on 1st April)
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Unless a concession has been agreed with the Trustee the term to 31 January 2025 applies.

Note that the scheme's previous valuation was carried out with an effective date of 30 September 2014. This valuation showed assets of £793.4m, liabilities of £969.9m and a deficit of £176.5m. 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 April)	(payable monthly and increasing by 3% each on 1st April)
From 1 April 2016 to 30 September 2028:	£54,560 per annum April)	(payable monthly and increasing by 3% each on 1st April)

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)
Present value of provision (discounted)	150,628	182,725	200,204

RECONCILIATION OF OPENING AND CLOSING PROVISIONS

	Period 31 March 2020 (£000s)	Period 31 March 2019 (£000s)
Provision at start of period	182,725	200,204
Unwinding of the discount factor (interest expense)	2,312	3,204
Deficit contribution paid	(30,324)	(25,799)
Remeasurements – impact of any change in assumptions	(4,085)	1,670
Remeasurements – amendments to the contribution schedule	-	3,446
Provision at end of period	<u>150,628</u>	<u>182,725</u>

Notes to the financial statements

For the year ended 31 March 2020

22. Pension schemes (continued)
INCOME AND EXPENDITURE IMPACT

	Period 31 March 2020 (£000s)	Period 31 March 2019 (£000s)
Interest expense	2,312	3,204
Remeasurements – impact of any change in assumptions	(4,085)	1,670
Remeasurements – amendments to the contribution schedule	–	3,446
Contributions paid in respect of future service*	*	*
Costs recognised in income and expenditure account	<u>*</u>	<u>*</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.

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

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

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)
Year 1	31,233	30,324	25,799
Year 2	32,170	31,233	26,573
Year 3	33,136	32,170	27,371
Year 4	34,130	33,136	28,192
Year 5	29,295	34,310	29,037
Year 6	–	29,295	29,909
Year 7	–	–	30,806
Year 8	–	–	15,865
Year 9	–	–	–
Year 10	–	–	–
	<u>159,964</u>	<u>190,468</u>	<u>213,552</u>