

Charity Registration No. 1003117

Company Registration No. 02594511 (England and Wales)

SHROPSHIRE MIND

TRUSTEES' REPORT AND
INDEPENDENTLY EXAMINED ACCOUNTS

FOR THE YEAR ENDED 31 MARCH 2020

SHROPSHIRE MIND

LEGAL AND ADMINISTRATIVE INFORMATION

Trustees	C T Ireland R Munton A Althrop L Deane
Chair	C T Ireland
Charity number	1003117
Company number	02594511
Registered office	Suite 3 & 4 Observer House Holywell Street Shrewsbury Shropshire SY2 6BL
Independent examiner	Azets Audit Services Column House London Road Shrewsbury Shropshire SY2 6NN

SHROPSHIRE MIND

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SHROPSHIRE MIND

TRUSTEES REPORT (INCLUDING DIRECTORS' REPORT) FOR THE YEAR ENDED 31 MARCH 2020

The Trustees who are also directors of the charity for the purposes of the Companies Act 2006, present their report and accounts for the year ended 31 March 2020. The trustees have adopted the provisions of the Statement of Recommended Practice (SORP) 'Accounting and Reporting by Charities' issued in March 2005.

The financial statements comply with the Charities Act 2011, the Companies Act 2006, the Memorandum and Articles of Association, and Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard for Smaller Entities.

Objectives and activities

The charity's main objective is to promote the preservation of mental health and to assist in relieving and rehabilitating a person's suffering from poor mental health, or any condition that has an impact upon a person's mental health. The charity aims to support the person to live well through;

- Advocacy
- Peer support
- Direct intervention
- Teaching and supporting people to understand techniques that support their own wellbeing
- Signposting to appropriate services
- Working in direct partnerships within Shropshire, Telford and Wrekin and Powys
- Safeguarding all vulnerable people from abuse
- Listening services
- Effectively supporting the local community to lower the stigma surrounding mental health, through education and training. Championing a supportive and compassionate suicide prevention programme.
- Outreach.
- Crisis Café's.
- Telephone support services.
- Bereavement support.

Values and beliefs

Shropshire Mind's values are at the heart of everything we do.

Open	- We actively reach out to anyone who needs us
Together	- We're stronger with our partners
Responsive	- We listen, we act, we support, we advocate
Independent	- We speak out and support responsive service provisions
Unstoppable	- We will never stop supporting people

These beliefs and values are mirrored in the service we provide.

- Ensuring the service, we provide reflects the needs of the local community
- Respecting the dignity and rights of any person using our services
- Services are appropriate, safe and acceptable to service users
- The environment is welcoming to everyone, with a zero tolerance to any discriminatory behaviour
- Offer choices and promote independence where practicable
- Raise awareness and educate the public on mental health issues
- Value its staff and volunteers as a good employer
- Incorporate joint working and liaison with other relevant agencies
- Are accountable and operate within the principles of corporate governance

The Trustees have paid due regard to guidance issued by the Charity Commission in deciding what activities the charity should undertake.

SHROPSHIRE MIND

TRUSTEES REPORT (CONTINUED)(INCLUDING DIRECTORS' REPORT) FOR THE YEAR ENDED 31 MARCH 2020

Achievements and performance

Charitable activities

Shropshire Mind continued delivery of many key projects throughout the year, whilst also seeking new partnership/alliances with local charities with the same key values. During 2019/20 reporting period, the charity received over 9,500 enquiries and averted over 715 potential suicides. The charity continues to work with many other key partners providing services for prisoners who have mental health issues within Berwyn Prison, the service has been extremely successful after delivery 3 x 12 week courses directly within the prison.

The charity's services within Shropshire Sanctuary have been recognised with an award from Thrive Awards West Midlands, achieving the status of overall category winner within the West Midlands. The accolade recognises the prevention of over 700 suicides.

The Shropshire Sanctuary is continuing to deliver vital crisis support out of hours, whilst evolving to support new demands as and when they arise. The drop-in services and groups are running at full capacity, with demand for new groups and activities continuing. The charity continues to provide support 24/7.

Shropshire Mind partnered with Glenn Franke and various GP surgeries to champion physical and mental health with the couch to 5km programme that ran through the autumn of 2019. The post course review allowed us to gather key information on people's mental health throughout the programme, with all highlighting a significant improvement in their mental health being far more obvious than their physical health. The project was a resounding success, being completed by the business manager and chair of the charity.

Funding will have to be secured for the continuation of Shropshire Sanctuary through 2020; the board are confident that we have a good prospect of securing further funding, based upon the impact sanctuary has for improving key outcomes and preventing suicide.

Shropshire Mind has continued to host trainee RMN's, O. T's, Physiotherapists on work placements and Social Workers. The unique environment we have allows professionals to gain critical experience in supporting people with mental health issues. The soft approach within the charity is a stark contrast to that of statutory sector providers, the contrast between the two approaches allows the trainees to see the effects of both systems at work rather than just on a theoretical basis. Shropshire Mind actively recruits new volunteers, training and supporting them in the provision of the services to those with mental health needs. Many of our volunteers are inspired by the work and go on to seek employment within the professional side of our sector, with key hands on skills provided within the charity. Growth of roots up professionals can only serve to enhance our profile as a quality provider of mental health services within the 3rd sector.

Local businesses are again an element in lowering the stigma surrounding mental health, whilst providing crucial funding support to the charity. The board of trustees would like to thank each person that has actively supported the charity throughout 2019/20 enabling us to deliver our key and vital services as demand continues to grow.

SHROPSHIRE MIND

TRUSTEES REPORT (CONTINUED)(INCLUDING DIRECTORS' REPORT) FOR THE YEAR ENDED 31 MARCH 2020

Premises – The current lease expires on 24th December 2021, the property needs some repairs and so the charity has approached Shropshire Council with a view to purchasing one of its surplus properties that would fulfil the needs of the charity going forward. Larger and more extensive premises are now urgently needed to cope with the expansion of services.

Reach - The drop-in centre has continued to grow, with a significant increase in weekend footfall. Shropshire Mind is the only 3rd sector provider to open 7 days a week within the County, providing that essential support when the statutory sector is not available. It is vital that the reach of the charity extends far beyond its head office in Shrewsbury, with service delivery now taking place in Whitchurch, Market Drayton, Ludlow, Bridgnorth and Oswestry.

Shropshire Mind has been working in conjunction with Shrewsbury College, aiming to support students and staff alike, this is a key partnership for the future, allowing the charity to provide solutions to anxiety and depression, caused by stress and the pressures of society.

Shropshire Sanctuary has continued to raise the profile of the charity, allowing further partnerships to be forged across the sector, but it is key to focus on the fact that we are an impartial and trusted service provider, being trusted by all who use our services.

Resources – Demand for our services has grown exponentially.

The shop at Redwoods continues to support the charity in its objectives, providing funding from the revenue within the shop, whilst supporting beneficiaries to gain invaluable experience. Key investments have been made in the shop, as well as an expansion of the healthy range and a valuable stock of personal items for staff and patients to purchase.

Financial review

Reserves policy

The reserves within the charity have grown steadily throughout the year. Key areas for this success are attributable to the stringent fiscal policy within the charity and increased revenues from the Shop in Redwoods and fundraisers who support us. The shop manager has worked tirelessly to improve the margins and the breadth of service delivery. The shop is now a key financial asset to the charity.

The aim of the charity is to increase the amount held in reserve, to be above 12 months turnover, with the turnover continually increasing, so the amount held in reserves must increase to secure the stability required by the charity into 2020/21.

Our dedicated Treasurer has enabled the charity to report a balanced account sheet for the past 8 years, the environment remains challenging with very little security in the medium term. Further cuts could still materialise from the statutory sector, so opportunities and calculated risks must be taken as and when required.

Shropshire CCG has shown its confidence in the charity, commissioning 2 new services in March 2020, both projects have a commission life of 3 years, these are, assertive outreach and crisis café.

Total income generated has risen from £484,413 in 2019 to £541,735 in 2020 mainly due to an increase in donations, grant income and management charges. No income has been deferred to the 2021 financial year (prior year: £89,821).

Expenditure for 2019/20 incurred was £397,906 compared with £379,922 in the prior year, mainly due to increased wages.

The charity made a surplus of £143,829 compared with £102,214 in 2019.

The closing fund balances were: unrestricted funds £189,718 and restricted funds £185,995.

SHROPSHIRE MIND

TRUSTEES REPORT (CONTINUED)(INCLUDING DIRECTORS' REPORT) FOR THE YEAR ENDED 31 MARCH 2020

Principal funding sources

Principle funding was primarily from Shropshire CCG and Shropshire Council who now joint fund the provision of the drop in centre and outlying groups within the county.

Funding by the statutory sector remains the single largest funding source, but all key projects are ring fenced in their service provision.

The resilience of the charity is in the diversity of the funding streams, the board of trustees are continually sourcing new streams for the future requirements of the charity. No project or service delivery will be undertaken by Shropshire Mind, unless it is fully funded and able to stand alone. No single project can be allowed to jeopardise the charity and its future service delivery.

The charity has maintained a tight fiscal policy, which is certainly paying off. The Treasurer and Business Manager are astute in all their financial actions, ensuring the charity is financially sound for years to come.

Having a surplus in this financial year, is indicative of the charities drive to succeed within the sector and innovate into the future.

Shropshire Mind works extremely close with partners, some of these partners support the charity in kind, with donations of furniture and other goods, allowing all funding to be utilised on service delivery. Networking in this manner has allowed the charity to significantly cut operating costs, with many more partners being willing to donate goods rather than cash.

Shropshire Mind always fully supports and publicly acknowledge its partners, valuing our key partners in this manner has led to very mutually beneficial relationships, without which Shropshire Mind would find operating more difficult. The nurturing of key relationships is vital to Shropshire Mind now and in the future.

Investment policy

With reserves maintained within the main banking account, Shropshire Mind does not have any excess that allows for investments. The reserves are in place should a major funder fail to provide financial support, or for an excessive delay in payment from a funder. Interest rates are not attractive in the short to medium term, and anything that would pose a risk to the capital could not be acceptable to the charity.

Risk management

The business risks of the organisation have been identified by the Board of Trustees and compiled into a comprehensive risk assessment matrix in accordance with its Risk Management Policy. All of the identified risks are scored, preventative measures identified, and the matrix is regularly reviewed and supplemented as required. All basic Health and Safety risks have been assessed in accordance with our comprehensive health and safety policy which is reviewed periodically to ensure they remain relevant to changes in circumstance. The board of trustees keep up to date with all legal aspects that related to the governance of the charity.

Where appropriate, systems and procedures have been established to mitigate the risks the charity faces. The Board of Trustees have produced a strategic plan which focuses for the diversification of funding and activities, which requires trustees to take responsibility for delivering parts of the strategic plan. Internal control risks are minimised by the implementation of procedures for authorisation of all transactions and projects. Procedures are in place to ensure compliance with health and safety of staff, volunteers, clients and visitors to the charity.

The business manager manages and supervises all staff and volunteers employed by the charity, being responsible and accountable to the board of trustees.

SHROPSHIRE MIND

TRUSTEES REPORT (CONTINUED)(INCLUDING DIRECTORS' REPORT) *FOR THE YEAR ENDED 31 MARCH 2020*

Future Outlook

During the next few years, many of the services will merge to become Shropshire and Telford and Wrekin (STW) services. Shropshire Mind must adapt to this new area of responsibility as it does within Shropshire Sanctuary.

The success of Shropshire Sanctuary and current services has given confidence to the CCG to commission 2 new services, these are the assertive outreach service, which is commissioned and fully funded until March 2023. The second service is the Calmer Café No 1, within Shropshire Mind (Crisis Café), it will operate 6 evening per week. Initially envisaged to be 4 evenings in Shrewsbury and 2 in Oswestry, but the Pandemic has put paid to plans for Oswestry with the closure of coffee shops. All 6 evenings will be hosted within Shrewsbury until further notice.

All contracts are ring fenced, with staff being employed on contracts that match exactly to the funding sources time frames, protecting the charity from any risks that could jeopardise its future.

The charity has expressed its desire to purchase its own premises, or to find suitable premises that it can occupy in partnership with support from CCG or Local Authority. Negotiations are still taking place, as the current lease expires on 24th December 2021.

Recruitment of Trustees with key skills still poses its own challenges as the sector experiences a shortage of volunteers, with ever increasing demand. The board may constrict in size but must maintain the key skills required to have the vision and foresight to drive the charity forward in the right direction.

Shropshire Mind is working in partnership with third sector and statutory sector organisations, this is becoming a cornerstone for all service delivery and will continue to evolve in 2020/21 as the vision for a mental health hub evolves.

Continuing to focus on the following:

- a. Continued development of alternative funding streams through grant applications, allowing Shropshire Mind reduce reliance on the statutory sector.
- b. Review operating processes to ensure optimal use of resources.
- c. Pursue partnerships with other charities, who share our core values.
- d. Continue to provide services to the hard to reach within the county.
- e. Development of trustees' core skills.
- f. Review memorandum of articles to ensure their continued relevance to the organisation aims, goals and objectives.

SHROPSHIRE MIND

TRUSTEES REPORT (CONTINUED)(INCLUDING DIRECTORS' REPORT) FOR THE YEAR ENDED 31 MARCH 2020

Structure, governance and management

Governing document

The organisation was formed in 1974 and registered as a charity with the Charity Commissioners for England & Wales under registration number 1003117. It was constituted as a charitable company limited by guarantee, Company registration number 2594511, in 1991. 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. In the event of the company being wound up members are required to contribute an amount not exceeding £1.

The Trustees, who are also the directors for the purpose of company law, and who served during the year and up to the date of signature of the financial statements were:

C T Ireland

R Munton

A Althrop

L Deane

D Angus

(Resigned 1 June 2019)

Recruitment and appointment of Board of Trustees

The directors of the company are also charity trustees for the purposes of charity law and are known as members of the Board of Trustees. Under the requirements of the Memorandum and Articles of Association the members of the Board of Trustees are elected to serve for a period of three years after which they must be re-elected at the next Annual General Meeting.

Report on the additions / resignations / change in status of Trustees

The charity works to alleviate mental distress and the Board of Trustees seeks to ensure that the needs of people who have experienced mental distress are appropriately reflected through the diversity of the trustee body. To enhance the potential pool of trustees, the charity actively encourages people who use their services to become members, moving on to become volunteers and use their own experience to assist the charity.

The board of trustees has maintained themselves with a small but very capable group of 4. The outbreak of the COVID-19 Pandemic in late February 2020, arrived just as the board sought to expand, this will be put on hold until social gathering can be resumed. The small nature of the board, has meant that many opportunities have arisen at the outbreak of the Pandemic, being small also means we are as a charity, able to bring new services to bear within a matter of weeks. The board has risen to the challenges of 2019/20 and will continue to do so as we travel uncharted waters of the pandemic.

Recruitment to the board will be looking for skillsets in marketing and PR, post COVID-19.

SHROPSHIRE MIND

TRUSTEES REPORT (CONTINUED)(INCLUDING DIRECTORS' REPORT) FOR THE YEAR ENDED 31 MARCH 2020

Organisational structure

Shropshire Mind has a Board of Trustees of up to 12 members who meet every 4 to 8 weeks. The board is responsible for formulating the strategic direction and policies of the charity, whilst providing key governance and oversight.

The financial climate has changed significantly, with the emergence of COVID, the final month of the accounting year has seen a significant change in both commissioning practice and fundraising, this will be monitored throughout the forthcoming year as the charity configures to the new environment.

The business manager continues to provide innovative solutions, being focussed on the person-centred approach that has become a trade mark of Shropshire Mind, we see the person first and foremost.

The board is responsible for ensuring through governance and policies that a safe environment is provided, which also safeguards all adults accessing the service. The board of trustees currently has 4 members, who are all from a diverse background, including volunteers, service users and business leaders, giving the charity a diverse board with experience complementing the needs of the charity.

The Officers' Committee consists of the Chair, the Vice Chair, the Treasurer and the Business Manager. The Officers' committee has delegated authority.

A scheme of delegation is in place, with the board being responsible for strategic business planning and maintenance of the charity. The business manager is responsible for the day to day running of Shropshire Mind, allowing key decisions to be made without the continual approval by the board. Authority from the board is required for larger purchases and for any proposed changes to the business delivery. The responsibility for the premises, support services and Health and Safety is also delegated to the Business Manager.

Related parties

The charity is guided by National Policy and Legislation providing services within their key frameworks laid out. The Clinical Commissioning Group (CCG) and Local Authority both have policies in place for the charity to adhere to at a local level as part of the funding agreements. Shropshire Mind has employed the services of Aventure HR Consultancy, providing key HR, Legislation, and support with policies that the charity adheres to. All of the charity's policies and procedures are fully adherent to both with current legislation, coupled with policy and guidance of Companies House and the Charity Commission.

The charity provides a local and national voice for the people of Shropshire, Telford and Wrekin and Powys, championing the issues facing this rural county on the national stage where relevant. Maintaining a high community profile is key to the charity, allowing it to be more accessible, whilst also reducing the stigma surrounding mental health issues. Talks are normally delivered on a weekly basis to a whole host of organisations, raising awareness of mental health and lowering the stigma within the communities we serve.

Shropshire Mind acts as a key partner to Shropshire Council, the South Staffordshire and Shropshire Foundation Trust, Community Mental Health Teams, Redwoods Centre, local CCG's, Police, Ambulance, British Transport Police, Street Pastors, Samaritans and other local service providers in the provision of mental health services across the county.

The Trustees report was approved by the Board of Trustees.

C T Ireland

Trustee

Dated 10 February 2021

SHROPSHIRE MIND

STATEMENT OF TRUSTEES RESPONSIBILITIES

FOR THE YEAR ENDED 31 MARCH 2020

The Trustees, who are also the directors of Shropshire MIND for the purpose of company law, are responsible for preparing the Trustees 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 charity and of the incoming resources and application of resources, including the income and expenditure, of the charitable company for that year.

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

- 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 have been followed, subject to any material departures disclosed and explained in the financial statements; and
- 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 charity 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 charity and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

SHROPSHIRE MIND

INDEPENDENT EXAMINER'S REPORT TO THE TRUSTEES OF SHROPSHIRE MIND

I report to the Trustees on my examination of the financial statements of Shropshire MIND (the charity) for the year ended 31 March 2020.

Responsibilities and basis of report

As the Trustees of the charity (and also its directors for the purposes of company law) you are responsible for the preparation of the financial statements in accordance with the requirements of the Companies Act 2006 (the 2006 Act).

Having satisfied myself that the financial statements of the charity are not required to be audited under Part 16 of the 2006 Act and are eligible for independent examination, I report in respect of my examination of the charity's financial statements carried out under section 145 of the Charities Act 2011 (the 2011 Act). In carrying out my examination I have followed all the applicable Directions given by the Charity Commission under section 145(5)(b) of the 2011 Act.

Independent examiner's statement

Since the charity's gross income exceeded £250,000 your examiner must be a member of a body listed in section 145 of the 2011 Act. I confirm that I am qualified to undertake the examination because I am a member of ICAEW, which is one of the listed bodies.

I have completed my examination. I confirm that no matters have come to my attention in connection with the examination giving me cause to believe that in any material respect:

- 1 accounting records were not kept in respect of the charity as required by section 386 of the 2006 Act; or
- 2 the financial statements do not accord with those records; or
- 3 the financial statements do not comply with the accounting requirements of section 396 of the 2006 Act other than any requirement that the accounts give a true and fair view which is not a matter considered as part of an independent examination; or
- 4 the financial statements have not been prepared in accordance with the methods and principles of the Statement of Recommended Practice for accounting and reporting by charities applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102).

I have no concerns and have come across no other matters in connection with the examination to which attention should be drawn in this report in order to enable a proper understanding of the financial statements to be reached.

Dawn Owen BA(Hons) BFP FCA
Azets Audit Services

Dated: 11 February 2021

SHROPSHIRE MIND

STATEMENT OF FINANCIAL ACTIVITIES INCLUDING INCOME AND EXPENDITURE ACCOUNT FOR THE YEAR ENDED 31 MARCH 2020

	Notes	Unrestricted funds £	Restricted funds £	Total 2020 £	Total 2019 £
<u>Income from:</u>					
Donations and legacies	3	47,861	500	48,361	18,950
Charitable activities	4	168,410	309,405	477,815	433,534
Fundraising	5	15,559	-	15,559	31,929
Total income		231,830	309,905	541,735	484,413
<u>Expenditure on:</u>					
Charitable activities	6	178,709	216,697	395,406	378,142
Other costs	8	2,500	-	2,500	1,780
Total resources expended		181,209	216,697	397,906	379,922
Net incoming resources before transfers		50,621	93,208	143,829	104,491
Tax		-	-	-	(2,277)
Gross transfers between funds		(6,887)	6,887	-	-
Net movement in funds		43,734	100,095	143,829	102,214
Fund balances at 1 April 2019		145,984	85,900	231,884	129,670
Fund balances at 31 March 2020		189,718	185,995	375,713	231,884

The statement of financial activities includes all gains and losses recognised in the year.
All income and expenditure derive from continuing activities.

The statement of financial activities also complies with the requirements for an income and expenditure account under the Companies Act 2006.

Included in incoming resources from charitable activities is shop income of £70,555 (2019: £96,205). Included in total expenses is shop expenditure of £72,533 (2019: £84,096).

SHROPSHIRE MIND

BALANCE SHEET

AS AT 31 MARCH 2020

	Notes	2020 £	£	2019 £	£
Fixed assets					
Tangible assets	10		4,637		5,547
Current assets					
Stocks	12	2,755		2,855	
Debtors	13	29,285		8,362	
Cash at bank and in hand		356,320		315,784	
		<u>388,360</u>		<u>327,001</u>	
Creditors: amounts falling due within one year	14	<u>(17,284)</u>		<u>(100,664)</u>	
Net current assets			371,076		226,337
Total assets less current liabilities			<u>375,713</u>		<u>231,884</u>
Income funds					
Restricted funds	15	185,995		85,900	
Unrestricted funds		189,718		145,984	
		<u>375,713</u>		<u>231,884</u>	

The company is entitled to the exemption from the audit requirement contained in section 477 of the Companies Act 2006, for the year ended 31 March 2020.

The Trustees acknowledge their responsibilities for ensuring that the charity keeps accounting records which comply with section 386 of the Act and for preparing financial statements which give a true and fair view of the state of affairs of the company as at the end of the financial year and of its incoming resources and application of resources, including its income and expenditure, for the financial year in accordance with the requirements of sections 394 and 395 and which otherwise comply with the requirements of the Companies Act 2006 relating to financial statements, so far as applicable to the company.

The members have not required the company to obtain an audit of its financial statements for the year in question in accordance with section 476.

These financial statements have been prepared in accordance with the provisions applicable to companies subject to the small companies regime.

The financial statements were approved by the Trustees on 10 February 2021

C T Ireland
Trustee

Company Registration No. 02594511

SHROPSHIRE MIND

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2020

1 Accounting policies

Charity information

Shropshire MIND is a private company limited by guarantee incorporated in England and Wales. The registered office is Suite 3 & 4, Observer House, Holywell Street, Shrewsbury, Shropshire, SY2 6BL.

1.1 Accounting convention

The financial statements have been prepared in accordance with the charity's governing document, the Companies Act 2006 and "Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2019)". The charity is a Public Benefit Entity as defined by FRS 102.

The charity has taken advantage of the provisions in the SORP for charities applying FRS 102 Update Bulletin 1 not to prepare a Statement of Cash Flows.

The financial statements are prepared in sterling, which is the functional currency of the charity. Monetary amounts in these financial statements are rounded to the nearest £.

The financial statements have been prepared under the historical cost convention, modified to include the revaluation of freehold properties and to include investment properties and certain financial instruments at fair value. The principal accounting policies adopted are set out below.

1.2 Going concern

At the time of approving the financial statements, the Trustees have a reasonable expectation that the charity has adequate resources to continue in operational existence for the foreseeable future. Thus the Trustees continue to adopt the going concern basis of accounting in preparing the financial statements.

Following the year end the emergence of Covid19 presented a new risk to the charity and the economy as a whole. The Trustees have considered the Covid19 impact on the charity and expect to have some impact on the new financial year, but this is not expected to be significant or impact the charities ability to continue its activities.

1.3 Incoming resources

Income is recognised when the charity is legally entitled to it after any performance conditions have been met, the amounts can be measured reliably, and it is probable that income will be received.

Cash donations are recognised on receipt. Other donations are recognised once the charity has been notified of the donation, unless performance conditions require deferral of the amount. Income tax recoverable in relation to donations received under Gift Aid or deeds of covenant is recognised at the time of the donation.

Items of income are recognised and included in the accounts when all of the following criteria are met:

- The charity has entitlement to the funds;
- any performance condition attached to the item of income have been met or are fully within the control of the charity;
- there is sufficient certainty that receipt of the income is considered probable; and
- the amount can be measured reliably.

SHROPSHIRE MIND

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2020

1 Accounting policies

(Continued)

Donated goods or services are recognised as income when the charity has control over the item, and conditions associated with the donated item 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. On receipt, donated goods and services 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 goods and services of equivalent economic benefit on the open market; a corresponding amount is then recognised in expenditure in the period of receipt.

1.4 Resources expended

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. Expenditure is classified under the following activity headings:

- Expenditure on charitable activities includes the costs of running the Shropshire MIND centre and Redwoods shop and other activities undertaken to further the purposes of the charity and their associated support costs.
- Governance costs including the Independent Examiner's fees and bank charges.

Expenditure is accounted for on an accruals. Where costs cannot be directly attributed to particular headings they have been allocated to activities on a basis consistent with the use of resources.

Irrecoverable VAT is charged as a cost against the activity for which the expenditure was incurred.

1.5 Tangible fixed assets

Tangible fixed assets are initially measured at cost and subsequently measured at cost or valuation, net of depreciation and any impairment losses.

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

Electrical equipment	25% on reducing balance
Fixtures, fittings & equipment	10% on reducing balance

The gain or loss arising on the disposal of an asset is determined as the difference between the sale proceeds and the carrying value of the asset, and is recognised in net income/(expenditure) for the year.

1.6 Impairment of fixed assets

At each reporting end date, the charity reviews the carrying amounts of its tangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any).

1.7 Stocks

Stock relates to items held at the year end in the shop. These are valued at the lower of cost and net realisable value.

1.8 Cash and cash equivalents

Cash and cash equivalents include cash in hand, deposits held at call with banks, other short-term liquid investments with original maturities of three months or less, and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities.

SHROPSHIRE MIND

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2020

1 Accounting policies

(Continued)

1.9 Financial instruments

The charity has elected to apply the provisions of Section 11 'Basic Financial Instruments' and Section 12 'Other Financial Instruments Issues' of FRS 102 to all of its financial instruments.

Financial instruments are recognised in the charity's balance sheet when the charity becomes party to the contractual provisions of the instrument.

Financial assets and liabilities are offset, with the net amounts presented in the financial statements, when there is a legally enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

Basic financial assets

Basic financial assets, which include debtors and cash and bank balances, are initially measured at transaction price including transaction costs and are subsequently carried at amortised cost using the effective interest method unless the arrangement constitutes a financing transaction, where the transaction is measured at the present value of the future receipts discounted at a market rate of interest. Financial assets classified as receivable within one year are not amortised.

Basic financial liabilities

Basic financial liabilities, including creditors and bank loans are initially recognised at transaction price unless the arrangement constitutes a financing transaction, where the debt instrument is measured at the present value of the future payments discounted at a market rate of interest. Financial liabilities classified as payable within one year are not amortised.

Debt instruments are subsequently carried at amortised cost, using the effective interest rate method.

Trade creditors are obligations to pay for goods or services that have been acquired in the ordinary course of operations from suppliers. Amounts payable are classified as current liabilities if payment is due within one year or less. If not, they are presented as non-current liabilities. Trade creditors are recognised initially at transaction price and subsequently measured at amortised cost using the effective interest method.

Derecognition of financial liabilities

Financial liabilities are derecognised when the charity's contractual obligations expire or are discharged or cancelled.

1.10 Taxation

The charity is exempt from corporation tax on its charitable activities, however is subject to corporation tax on the shop trading as it has gone above the small trading tax exemption threshold.

1.11 Employee benefits

The cost of any unused holiday entitlement is recognised in the period in which the employee's services are received.

Termination benefits are recognised immediately as an expense when the charity is demonstrably committed to terminate the employment of an employee or to provide termination benefits.

SHROPSHIRE MIND

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2020

1 Accounting policies

(Continued)

1.12 Debtors, creditors and provisions

Trade and other debtors are recognised at the settlement amount due. Prepayments are valued at the amount prepaid.

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 and estimated reliably. Creditors and provisions are normally recognised at their settlement value.

1.13 Fund accounting

Unrestricted funds can be used in accordance with the charitable objectives at the discretion of the trustees.

Restricted funds can only be used for particular restricted purposes within the objects of the charity. Restrictions arise when specified by the donor or when funds are raised for particular restricted purposes.

Further explanation of the nature and purpose of each fund is included in the notes to the financial statements.

1.14 Legal status of the Charity

The Charity is a company limited by guarantee and has no share capital.

2 Critical accounting estimates and judgements

In the application of the charity's accounting policies, the Trustees are required to make judgements, estimates and assumptions about the carrying amount of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised where the revision affects only that period, or in the period of the revision and future periods where the revision affects both current and future periods.

3 Donations and legacies

	Unrestricted funds	Restricted funds	Total 2020	Total 2019
	£	£	£	£
Donations	47,861	500	48,361	18,940
Subscriptions	-	-	-	10
	<u>47,861</u>	<u>500</u>	<u>48,361</u>	<u>18,950</u>
For the year ended 31 March 2019	<u>18,578</u>	<u>372</u>		<u>18,950</u>

SHROPSHIRE MIND

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2020

4 Charitable activities

	2020 £	2019 £
Grant income received	368,488	328,537
Shop income	70,550	96,205
Sundry income	1,324	232
Attendance funding	2,239	3,760
Management charge received	35,214	4,800
	<u>477,815</u>	<u>433,534</u>
Analysis by fund		
Unrestricted funds	168,410	
Restricted funds	<u>309,405</u>	
	<u>477,815</u>	
For the year ended 31 March 2019		
Unrestricted funds		164,080
Restricted funds		<u>269,454</u>
		<u>433,534</u>

5 Fundraising

	Unrestricted funds 2020 £	Unrestricted funds 2019 £
Fundraising events	4,388	6,214
Sponsorships	<u>11,171</u>	<u>25,715</u>
Fundraising	<u>15,559</u>	<u>31,929</u>

SHROPSHIRE MIND

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2020

6 Charitable activities

	Main costs £	Shop costs £	2020 £	2019 £
Wages and social security	229,352	13,426	242,778	232,543
Depreciation and impairment	910	-	910	1,142
Rent and rates	24,780	-	24,780	26,418
Insurance	3,206	-	3,206	1,470
Light and heat	3,837	-	3,837	5,975
Equipment and repairs	3,639	-	3,639	1,367
Postage, stationery and photocopier	2,497	94	2,591	3,123
Website costs	1,843	-	1,843	2,523
Telephone	2,704	-	2,704	6,555
Travel and volunteer expenses	10,680	481	11,161	12,002
Accountancy and payroll costs	1,236	2,400	3,636	1,564
Cleaning	1,145	2,590	3,735	3,131
Sundries	1,521	274	1,795	480
Groups and activities	3,694	-	3,694	8,179
Subscriptions	178	-	178	120
Bank charges	10	60	70	60
Opening stock and stock purchases	-	51,163	51,163	64,685
Closing stock	-	(2,755)	(2,755)	(2,855)
Management charge	30,413	4,800	35,213	4,800
Advertising	1,228	-	1,228	4,860
	<u>322,873</u>	<u>72,533</u>	<u>395,406</u>	<u>378,142</u>
Other costs	2,500		2,500	1,780
	<u>325,373</u>	<u>72,533</u>	<u>397,906</u>	<u>379,922</u>
Analysis by fund				
Unrestricted funds	108,676	72,533	181,209	
Restricted funds	216,697	-	216,697	
	<u>325,373</u>	<u>72,533</u>	<u>397,906</u>	
For the year ended 31 March 2019				
Unrestricted funds	111,493	84,096		195,589
Restricted funds	184,333	-		184,333
	<u>295,826</u>	<u>84,096</u>		<u>379,922</u>

SHROPSHIRE MIND

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2020

7 Trustees

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

8 Other costs

	2020 £	2019 £
Independent examiners fees	2,500	1,780
	<u>2,500</u>	<u>1,780</u>

9 Employees

Number of employees

The average monthly number of employees during the year was:

	2020 Number	2019 Number
All staff	25	24
	<u>25</u>	<u>24</u>

Employment costs

	2020 £	2019 £
Wages and salaries	235,400	225,165
Social security costs	7,378	7,378
	<u>242,778</u>	<u>232,543</u>

There were no employees whose annual remuneration was £60,000 or more.

SHROPSHIRE MIND

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2020

10 Tangible fixed assets

	Electrical equipment £	Fixtures, fittings & equipment £	Total £
Cost			
At 1 April 2019	5,450	6,769	12,219
At 31 March 2020	5,450	6,769	12,219
Depreciation and impairment			
At 1 April 2019	3,084	3,588	6,672
Depreciation charged in the year	592	318	910
At 31 March 2020	3,676	3,906	7,582
Carrying amount			
At 31 March 2020	1,774	2,863	4,637
At 31 March 2019	2,366	3,181	5,547

11 Financial instruments

	2020 £	2019 £
Carrying amount of financial assets		
Debt instruments measured at amortised cost	385,606	324,146
Carrying amount of financial liabilities		
Measured at amortised cost	11,334	5,609

Financial assets measured at amortised cost comprise of other debtors and cash at bank and in hand.

Financial liabilities measured at amortised cost comprise of trade creditors, other creditors and accruals (excluding deferred income).

12 Stocks	2020 £	2019 £
Shop stocks	2,755	2,855

13 Debtors	2020 £	2019 £
Amounts falling due within one year:		
Other debtors	29,285	8,362

SHROPSHIRE MIND

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2020

14 Creditors: amounts falling due within one year

	2020 £	2019 £
Corporation tax payable	-	2,276
Other taxation and social security	5,950	2,958
Deferred income	-	89,821
Other creditors	11,334	5,609
	<u>17,284</u>	<u>100,664</u>

15 Restricted funds

The income funds of the charity include restricted funds comprising the following unexpended balances of donations and grants held on trust for specific purposes:

	Balance at 1 April 2019 £	Movement in funds			Balance at 31 March 2020 £
		Incoming resources £	Resources expended £	Transfers £	
Market Drayton Self Help Group	-	-	(983)	983	-
Whitchurch Self Help Group	-	500	(789)	289	-
Calmer Café	-	4,746	(1,658)	-	3,088
Outreach	-	15,572	(1,495)	-	14,077
Reconnect Project - Berwyn Prison	-	1,939	(1,939)	-	-
Lloyds Funding	3,913	12,324	(21,852)	5,615	-
Sanctuary Funding	81,987	274,824	(187,981)	-	168,830
	<u>85,900</u>	<u>309,905</u>	<u>(216,697)</u>	<u>6,887</u>	<u>185,995</u>

SHROPSHIRE MIND

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2020

16 Movement in funds

	Balance at 1 April 2019	Incoming resources	Movement in funds Resources expended	Transfers	Balance at 31 March 2020
	£	£	£	£	£
Unrestricted funds					
General fund	145,984	231,830	(181,209)	(6,887)	189,718
	<u>145,984</u>	<u>231,830</u>	<u>(181,209)</u>	<u>(6,887)</u>	<u>189,718</u>
Restricted funds					
Market Drayton Self Help Group	-	-	(983)	983	-
Whitchurch Self Help Group	-	500	(789)	289	-
Calmer Café	-	4,746	(1,658)	-	3,088
Outreach	-	15,572	(1,495)	-	14,077
Reconnect Project - Berwyn Prison	-	1,939	(1,939)	-	-
Lloyds Funding	3,913	12,324	(21,852)	5,615	-
Sanctuary Funding	81,987	274,824	(187,981)	-	168,830
	<u>85,900</u>	<u>309,905</u>	<u>(216,697)</u>	<u>6,887</u>	<u>185,995</u>
Totals	<u>231,884</u>	<u>541,735</u>	<u>(397,906)</u>	<u>-</u>	<u>375,713</u>

The restricted fund balance of £185,995 as at 31 March 2020 consists of the following sub-funds:

Market Drayton Self Help Group

Located within the North Shropshire Town, the Market Drayton Group is a peer support element of the charity that is hosted within a community hall on a weekly basis. Many activities and elements are supported within the peer support setting.

Whitchurch Self Help Group

Located within the North Shropshire Town, the Whitchurch Group is a peer support element of the charity that is hosted within a community hall on a weekly basis. Many activities and elements are supported within the peer support setting.

Calmer Cafe

Calmer Cafe is a crisis cafe model, this allows a drop-in service and instant de-escalation of crisis, with support tailored around the person. The atmosphere is that of a coffee shop, with a host of beverages being served free of charge to those with support needs. The service is commission initially for 3 year, from March 2020 until March 2023.

Outreach

Assertive outreach enables the service provision of 2 key workers, who in coordination with the Crisis team and CMHT, provide support to the person within their own home and environment, allowing a stabilising and empowering effect. The outreach is short and targeted over approximately 6 weeks.

Reconnect Project - Berwyn Prison

After delivery of 3 x 12 week sessions within the Prison, the project is now closed due to COVID-19.

SHROPSHIRE MIND

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2020

16 Movement in funds

(Continued)

Lloyds Funding

This project is now completed, the full service provision has been fulfilled.

Sanctuary Funding

The Sanctuary is commissioned by Shropshire CCG to provide an alternative to S136 of the MHA, acting as a prime suicide prevention service that is assertive in its actions. The service is open from 1700hrs until 0900hrs every day of the year, with service extensions on Saturday and Sunday. Sanctuary is commissioned on a 1 year contract each year by the CCG, upon review of key performance indicators.

17 Analysis of net assets between funds

	Unrestricted fund £	Restricted funds £	Total £
Fund balances at 31 March 2020 are represented by:			
Tangible assets	4,637	-	4,637
Current assets/(liabilities)	185,082	185,995	371,076
	<u>189,719</u>	<u>185,995</u>	<u>375,713</u>

18 Deferred income

Deferred income represents a grant received during the prior year which relates to services to be provided in the following year.

	2020 £
Deferred income at 1 April 2019	89,821
Amount released in the year	(89,821)
Deferred income at 1 April 2020	<u>-</u>

19 Related party transactions

There were no disclosable related party transactions during the year (2019 - none).

SHROPSHIRE MIND

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2020

20 Operating lease commitments

At the reporting end date the charity had outstanding commitments for future minimum lease payments under non-cancellable operating leases, which fall due as follows:

	2020 £	2019 £
Within one year	728	633
Between two and five years	570	1,140
	<u>1,298</u>	<u>1,773</u>