
KENSINGTON AND CHELSEA MENTAL HEALTH ASSOCIATION



Kensington and Chelsea Mental Health Association
Report and financial statements
For the year ended
31 March 2017

Company Number: 2597728

Charity Number: 1002986

Office 1, 7 Thorpe Close, London W10 5XL

www.kcmind.org.uk

KENSINGTON AND CHELSEA MENTAL HEALTH ASSOCIATION

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KENSINGTON AND CHELSEA MENTAL HEALTH ASSOCIATION

LEGAL AND ADMINISTRATIVE INFORMATION

For the year ended 31 March 2017

Executive Committee	Damian Brennan, Chair Nick Johnson, Vice Chair Mark Lockhart, Treasurer Caroline Cohen Anna Tierney Francoise Marcus (appointed 20 June 2017)
Company Registered Number	02597728
Charity Registered Number	1002986
Registered Office	Office 1 7 Thorpe Close London W10 5XL
Working Name	Kensington & Chelsea Mind
Director	Mary Fotheringham
Auditors	haysmacintyre Chartered Accountants & Registered Auditors Fairfax House 15 Fulwood Place London WC1V 6AY
Bankers	The Royal Bank of Scotland 62 - 63 Threadneedle Street London EC2R 8LA CCLA Investment Management Limited COIF Charity Funds 80 Cheapside London EC2V 6DZ
Solicitors	Russell-Cooke 2 Putney Hill Putney London SW15 6AB

KENSINGTON AND CHELSEA MENTAL HEALTH ASSOCIATION

EXECUTIVE COMMITTEE'S REPORT

For the year ended 31 March 2017

Introduction

The Trustees of the Charity, who, under Company Law are the Directors of the Charity, present their report and the audited financial accounts for the year ended 31 March 2017.

The Trustees confirm that the report and financial statements comply with current statutory requirements, the requirements of the Charity's governing document and the provisions of the Statement of Recommended Practice (SORP) 'Accounting and Reporting by Charities' issued in 2015.

Mission

Our vision is that of a society that promotes and protects good mental health for all and that treats people with experience of mental distress fairly, positively and with respect. Social inclusion is at the heart of everything we do.

Our mission is to provide information and support to empower people experiencing mental health problems. We campaign to improve services, raise awareness and promote understanding.

Our network values underpin all that we do:

Together we are open, responsive, independent and unstoppable.

Nationally and locally, Mind is working to:

Change society

Mind works to influence and change public attitudes toward people suffering from mental health problems.

Provide information and support

Mind helps people to take control over their lives. We do this to make it possible for people who experience mental distress to build better lives and sustainable futures.

Give people a voice

Mind campaigns to improve services and works to ensure that people who experience mental distress are actively involved, both in the planning and delivery of local mental health services and the shaping and direction of their own lives.

Create healthier communities

Mind works to create healthier communities by working in partnership to raise awareness and understanding of mental health issues and deliver services which put people at the forefront of their own recovery.

Activities & Public Benefit

Mind's beneficiaries include people who have experienced mental distress living in the borough of Kensington & Chelsea whose health and wellbeing we aim to improve and maintain.

KENSINGTON AND CHELSEA MENTAL HEALTH ASSOCIATION

EXECUTIVE COMMITTEE'S REPORT (continued)

For the year ended 31 March 2017

Mind's Trustees confirm that the activities of the charity are carried out in line with its objectives, for the benefit of the public and the impact of our work on our beneficiaries is a key criterion when deciding what activities to undertake and how best to achieve our mission.

Mind's Trustees therefore confirm that they have considered the Public Benefit guidance issued by the Charity Commission and concur that all of the activities undertaken by Kensington and Chelsea Mind are in line with the requirements.

Structure, Governance, Management & Strategic Planning

Kensington and Chelsea Mental Health Association, ('Kensington & Chelsea Mind'), is a registered charity (No 1002986) and a company limited by guarantee (No 2597728), accountable to the Charity Commissioners. It has no share capital and the guarantee of each member is limited to £1. Governed by the Memorandum and Articles of Association, Kensington & Chelsea Mind works for the public benefit of people with mental health problems.

- **Affiliation**

Kensington & Chelsea Mind have a Membership Agreement with National Mind (National Association for Mental Health), which confirms that both parties have common charitable objectives and policies that they work within. The parties agree to **promote** Mind's values (informed, determined, diversity, integrity and partnership) and to work to make it possible for people who experience mental distress to live full lives, and play their full part in society. Affiliation also entitles Kensington & Chelsea Mind to use the Mind name, logo and image in accordance with the trademark licence agreement. The agreement is reviewed every three years.

Established in 1974, in collaboration with other agencies, the charity works to develop and run services for people who have experience of mental health problems, or emotional distress. The charity also works to promote the needs, interests and rights of people using mental health services and to foster a better understanding of mental health in the community.

The charity's registered office is based in North Kensington, with mental health projects located in satellite locations in the Borough. It is from here that the strategic management, administration and financial services are provided to support the organisation's activities.

- **Governance**

The charity is governed by an Executive Committee of elected Trustees, drawn from the local community. There are procedures for the election of the Executive Committee, set out in the Charity's Memorandum of Association. The elected members for 2016/17 are:

- D. Brennan, Chair
- N. Johnson, Vice Chair
- M. Lockhart, Treasurer
- C. Cohen
- A. Tierney
- F Marcus (appointed 20 June 2017)

The Executive Committee also works with a number of specialist advisors in mental health, legal, personal and public sector finance.

There are procedures governing the recruitment and appointment of Trustees including:

- Policy guidance to identify, introduce and induct new Executive Committee members against agreed eligibility criteria.
- Arrangements for establishing Trustees' eligibility and declaring any conflicts of interest.

KENSINGTON AND CHELSEA MENTAL HEALTH ASSOCIATION

EXECUTIVE COMMITTEE'S REPORT (continued)

For the year ended 31 March 2017

New Trustees receive an induction programme which sets out:

- The Charity's Mission and Objectives
- Memorandum and Articles of Association
- Mind (NAMH) Membership Agreement
- Job description, person specification and code of conduct
- Mind's policies and procedures

- **Statement of Trustees' Responsibilities**

Company and charity law applicable to charities in England and Wales 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 its financial activities for that year. In preparing those accounts, the Trustees are required to:

- Select suitable accounting policies and apply them consistently;
- Make judgements and estimates that are reasonable and prudent;
- State whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the accounts.
- Prepare the financial statements on a going concern basis unless it is inappropriate to presume that the charitable company will continue in operation.

The Trustees have overall responsibility for ensuring that the company has appropriate systems of control, financial or otherwise. They are also responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the Charity and enable them to ensure that the accounts 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 detection and prevention of fraud and other irregularities.

Responsibility for reviewing and monitoring key areas of activity is delegated to a number of sub-groups who then report back to the Executive Committee. Operational Working Groups for 2016/17 include:

- Finance, Personnel and General Purposes Sub-committee
- Quality Assurance Group
- Service User Network Mental Health Advisory Group

- **Management**

Management of the charity's activities is delegated to the Director, who reports to the Executive Committee. Trustees retain full responsibility for governance, including the appointment, induction, supervision and appraisal of the Director. The Director leads the staff team to ensure the organisation and its activities are effectively managed and developed.

- **Key Management Pay Setting**

The key management staff are the Director and the Services Manager. These positions are occupied by Mary Fotheringham and Aidan Moloney, respectively. Their pay is benchmarked against similar roles in the local voluntary sector. The National Joint Council pay scales are used in pay setting for guidance.

- **Strategic Planning**

To determine the charities strategic direction, the Executive Committee carried out an annual review of all services to evaluate each activity to determine future priorities and inform service and workforce planning. The Executive Committee looked at each service in respect of:

- Strategic relevance
- Value for money
- Service uptake
- Innovation
- Available resources

KENSINGTON AND CHELSEA MENTAL HEALTH ASSOCIATION

EXECUTIVE COMMITTEE'S REPORT (continued)

For the year ended 31 March 2017

- Strategic Plan 2015 – 18

Our strategic goals set out in our Plan are as follows:

- Helping people to stay well
- Facilitating social inclusion
- Empowering choice
- Tackling inequalities
- Influencing change
- Organisational excellence

Helping people to stay well

Our goal is to help people recover from mental illness and support those likely to develop mental health problems to stay well.

In 2015-18, we will do this by:

- Developing and delivering preventative and recovery focused support services, to help people recover from mental illness, prevent relapse, build resilience and mental wellbeing
- Continue to support and develop our current portfolio of recovery focused services, as well as carrying out research and development into new models of mental health and local unmet need

Facilitating social inclusion

Our goal is to support people to participate fully in society.

In 2015-18, we will do this by:

- Providing opportunities to build skills and gain access to employment and other meaningful activities
- Continue to develop our training and employment service offer to help individuals build better and sustainable futures
- Work with local Tri Borough commissioners to shape the development of employment services
- Work with local partners and individuals to build and extend social networks

Empowering choice

Our goal is to empower people who experience a mental health problem to make informed choices about how they live and recover.

In 2015-18, we will do this by:

- Providing advice, information and support to ensure that people are signposted to the services they need
- Develop our capacity to deliver advice and information in a variety of ways, according to people's preferences, for example, utilising social media
- Supporting the voice of service users to be involved in the planning and co-production of mental health services, internally and on external planning groups and mental health forums

Tackling inequalities

Our goal is to reduce stigma and discrimination for people who experience both mental health and other forms of discrimination

KENSINGTON AND CHELSEA MENTAL HEALTH ASSOCIATION

EXECUTIVE COMMITTEE'S REPORT (continued)

For the year ended 31 March 2017

In 2015-18, we will do this by:

- Working to promote a better understanding of mental health issues, so that people will seek help and support, without fear of prejudice or discrimination
- Tackling discrimination in all forms and model best practice through equality of opportunity throughout the organisation
- Delivering training and workshops to dispel myths and misconceptions about mental illness

Influencing change

Our goal is to play a key role in the modernisation of the mental health landscape and to support service users to be central to the process of change.

In 2015-18, we will do this by:

- Working collaboratively with commissioners, service users and policy makers to influence policy and the planning of local mental health services

Organisational excellence

Our goal is to make the best use of our assets and opportunities.

In 2015-18, we will do this by:

- Demonstrating sound governance, management and public accountability
- Investing in research and development into new ways of helping people achieve mental health
- Supporting our workers to excel in their work
- Developing our business capability through creative partnerships

Activities, Performance & Future Plans

The Executive Committee approved an annual plan of activities to deliver the Charity's core business objectives in 2016/17. These are outlined below.

- **Influencing change**
Mind works to promote the needs, interests and rights of people using mental health services and to foster a better understanding of mental health in the community.

We planned:

To work collaboratively with a wide range of partners and organisations to further the needs and interests of people with experience of mental health distress in order to deliver the best outcomes for service users and carers.

We worked with:

- RBK&C Adult Social Care social services
- West London Clinical Commissioning Group
- Central and North West London Mental Health Foundation Trust
- National Mind and the Tri-Borough Mind alliance
- Meanwhile Gardens Community Association
- Tri Borough user and peer networks
- West London NHS Trust /West London Clinical Commissioning Group

KENSINGTON AND CHELSEA MENTAL HEALTH ASSOCIATION

EXECUTIVE COMMITTEE'S REPORT (continued)

For the year ended 31 March 2017

- Informing our community

Mind is often the first place people contact for advice on mental health problems, including support in times of crisis.

We planned:

- A peer led advice and information service

Service aims:

- To provide peer led advice and information to the local community and mental health professionals about local services and resources that support mental health and wellbeing

We delivered:

- A peer led advice and information line on mental health issues to over a thousand people
- A community website and a mental health directory of local services and resources to maximise choice and control

- Working to give people a voice

Mind believes people are at their most powerful when they are expressing their own opinions and choices about decisions that affect their lives.

We planned:

- To promote and support borough wide service user involvement through the development of a Service User Network

Service aims:

- To create a network of users and survivors who care about mental health issues and who want to be part of a dynamic user movement
- To ensure that service users views are actively involved in influencing policy and the planning of mental health services, as well as raising awareness about the impact of mental health service have on individuals, often drawn from personal experience

We delivered:

- Monthly meetings with SUN members to keep members informed about the work of the Network and introduce topics and speakers on mental health issues
- 6 weekly RBKC mental health partnership meetings with service user representatives and staff of the local mental health trust and voluntary organisations to consult and report on Mental Health services
- Service user representatives on a number of key strategic mental health forums including CNWL, WL CCG and NWL CCG, to influence service planning, delivery and re-design of current services such as the Community Redesign and Like Minded via the MAD Alliance coproduction and engagement project.
- Provision of Healthy Minds workshops aimed at reducing stigma and discrimination and promoting health and wellbeing in our community
- Service user involvement in all aspect of the SUN's activities
- A membership of over 175 users of services in RBK&C
- Monthly meetings with Service Users including the Mental Health Advisory Group and Campaigns & Debates Group.
- The production and circulation of 12, monthly eNewsletters highlighting mental health issues, Service User involvement opportunities and keeping members informed about the work of the Service User Network

KENSINGTON AND CHELSEA MENTAL HEALTH ASSOCIATION

EXECUTIVE COMMITTEE'S REPORT

For the year ended 31 March 2017

- Positive Steps, a monthly inpatient service, run by service users, to signpost community support resources for people preparing for hospital discharge from St Charles Mental Health Unit
- Service User involvement in evaluation of the Personal Health Budget pilot run in partnership with Central and North West London and the West London Clinical Commission Group
- HARP self-help group support people with their hoarding behaviour
- Service User involvement in the Peer Work Consultation for the Community Living Well service

- Supporting people to live full lives

Mind works for a better life quality of life for people suffering from mental distress to enable them to live full and active lives.

We planned:

To deliver community services which:

- Support recovery, growth and independence
- Reduce stigma and discrimination
- Increase an understanding of mental health and wellbeing
- Provide training and employment opportunities

- Training and Employment: Mind Skills Development Service

Service aims:

- To support people who have experienced mental health issues to overcome barriers to employment
- To support individuals to develop the skills, self-confidence and qualifications to access further educational, vocational or employment options

We delivered:

Recovery focused, accredited training courses and employment support to 67 individuals in:

- Horticulture
- Painting & Decorating
- Information Technology
- Office Procedures
- Employment Skills

Supplementary sessions in:

- Wildlife Workshops
- Creative IT sessions
- Specialist painting and decorating techniques
- Health and safety training

Each course delivers a fully accredited teaching syllabus with a built in learning/mental health support premium to enable people to achieve. The courses range from 6 – 9 months.

- We delivered a service to 67 people, exceeding our target of 65, and exceeding our target of 63 in the previous year
- 134 certificated assessments were achieved and awarded through education partners, City and Guilds and eDCC
- 22 people graduated
- 4 people graduated and went onto continued volunteering
- 2 people graduated and went onto continued training/further education
- 2 graduated and went into paid employment

KENSINGTON AND CHELSEA MENTAL HEALTH ASSOCIATION

EXECUTIVE COMMITTEE'S REPORT

For the year ended 31 March 2017

We maintained:

- Our Centre of Excellence status from eDCC for our IT curriculum
- We maintained our status as a City and Guilds training centre for Painting and Decorating, Horticulture, Employability Skills
- Meanwhile Wildlife Garden awarded second place in the Brighter Kensington & Chelsea Competition

We were awarded:

- The London Garden Society's Certificate of Excellence for Meanwhile Wildlife Garden
- "Make a Difference" volunteer awards were awarded to 3 of our volunteers

We developed:

- Growing Minds, as part of our peer support and eco-therapy and horticulture skills programme
- Creating healthy communities

Mind works to create healthier communities by promoting a better understanding of mental health in the community.

We planned:

- A programme of activities promoting health and wellbeing
- A series of training programmes designed to raise awareness about mental health and give people the skills they need to support people in crisis

Service aims:

- To raise awareness and increase understanding of mental health issues
- To reduce stigma and discrimination and dispel myths about mental illness
- To provide advice and guidance
- To equip people with the knowledge and skills needed to support people in acute distress
- To equip people with the knowledge and skills to support their own mental wellbeing
- To support suicide prevention

We delivered:

- 5, 2-day Standard Mental Health First Aid training courses training a total of 64 Mental Health First Aiders
- 3, 2-day Youth Mental Health First Aid training a total of 38 Youth Mental Health First Aiders
- 6 Standard Mental Health First Aid Lite courses training 60 attendees

Developments:

Peer Support – Community Living Well

We planned:

- To develop and expand our peer work and support programme

KENSINGTON AND CHELSEA MENTAL HEALTH ASSOCIATION

EXECUTIVE COMMITTEE'S REPORT (continued)

For the year ended 31 March 2017

Service aims:

- To maximise opportunities for peer support and development in all services and new initiatives

We delivered:

- Year 2 of a two-year pilot in Peer Brokerage for Personal Health Budgets for 15 people, in partnership with CNWL and NHS England
- Year 2 of a two year Peer Hub development to raise awareness about peer support and to support local organisation to introduce this in their working practice and to influence local commissioning
- A monthly peer support newsletter, #PeerTalk
- Peer support training to individuals with lived experience who want to work in peer support
- We created a bank of peer workers to draw from for future projects
- A Peer Support Fair open to all those interested in peer support
- We recruited a peer advice and information worker to embed lived experience into our information and signposting service
- We continue to expand our peer mentoring and volunteer programme

We developed:

- New models for peer support

In August 2016, we transferred the Friends in Need peer to peer social network, following the merger of Depression Alliance and Friends in Need. Through the year we have been working to develop and expand the service to deliver more peer support options. In the coming year, the service will be expanded to deliver a range of peer support options around skills building, social activities and support, that will include:

- One to one peer support
- Living Well peer support groups and workshops
- Social activities
- On-line peer support
- Peer support training
- Employment opportunities for peer workers for trained peer workers in our Peer bank

• Delivering quality and value for money

As a charity we are committed to delivering quality to our commissioners and the people who use our services.

We planned:

- To increase our level of quality standards for all services
- To fundraise for resources

We achieved:

- Mind Quality Mark 2017

We secured:

- Local authority contract funding for training and employment
- Grants and income for user involvement and mental health promotion
- Funding from West London Clinical Commissioning Group for peer support services

KENSINGTON AND CHELSEA MENTAL HEALTH ASSOCIATION

EXECUTIVE COMMITTEE'S REPORT (continued)

For the year ended 31 March 2017

- Developing the organisation:
 - We planned and increased the number of volunteers working in all aspects of Mind's work
 - We planned and successfully increased the number of trustees to the Executive Committee

- Future Planning:

Strategic Direction:

We have set out our strategic goal for the next three years and will review these annually to check out strategy is on course and to determine our annual priorities.

Service development:

- Expand and develop our peer support programme through the implementation of our new and expanded peer support service for Community Living Well primary care service
- Carry out a review of our training and employment services, as part of the RBK&C Adult Social Care Day Services Review
- Increase our mental health promotion and suicide prevention projects, to empower individuals and create healthier communities, deliver mental health training and support for young people
- Implement a programme of community support through the provision of self-help groups and workshops
- Ensure that the mental health needs of LGBTQ and Minority Ethnic groups are assessed and prioritised in our development programme for the coming year

Organisational Development:

We plan to:

- Maintain Mind's Quality Standards and Accreditation Criteria
- Continue to employ robust governance, management and risk management strategies
- Ensure that buildings and capital assets are fit for purpose

Financial Review

The financial statements for the year ended 31 March 2017 show a surplus of £59,697 (2016: £70,572)

Income from grants and contracts amounted to £629,433 (2016: £466,587) against expenditure of £574,699 (2016: £422,431). Additional income of £4,963 (2016: £26,416) was generated from sales, bank interest and donations.

At the balance sheet date, the Association had total funds of £559,988 made up of; unrestricted funds of £371,746 (2016: £346,348) and restricted funds of £188,242 (2016: £153,943).

The Trustees have invested funds in COIF Charity Funds totalling £531,704 (2016: £439,956).

- Fundraising Activities

Grants and funding raised in the financial period include funds from:

- RBK&C Adult Social Care
- CNWL NHS Trust
- Membership fees and donations

KENSINGTON AND CHELSEA MENTAL HEALTH ASSOCIATION

EXECUTIVE COMMITTEE'S REPORT (continued)

For the year ended 31 March 2017

- **Principal Risks and Uncertainties**

The Executive Committee actively review on a regular basis the major risks that the charity faces and conduct an annual review of the organisation's financial controls to produce a Risk Register.

A summary of identified risk areas and planned actions is incorporated into Kensington & Chelsea Mind's Business Plan.

The Trustees and senior management jointly consider the principal risks and uncertainties, and have developed systems and procedures to mitigate the effect of risk within the organisation. Recent reviews have identified the following key risks and principal uncertainties:

- Contract renewal and competitive tendering and uncertain tendering timescales
- Future pricing for contracts
- The end of funding streams and finding new funding sources
- Dependency on a small executive team

- **Reserves Policy**

Kensington & Chelsea Mind recognises that, as a mental health service provider, its ability to carry out its obligations and responsibilities is dependent upon adequate funding.

The majority of Association funding is awarded on an annual or medium term basis. It is, therefore, necessary to hold reserves to meet the following financial aims:

- In the event of the Association losing a substantial grant or contract, there are sufficient funds to support the project or service while alternative funds are identified and secured.
- There are sufficient funds to meet any forecast capital expenditure or funding shortfalls.
- In the event of the decision to cease the Association's activities, that there is sufficient funding to settle all the Association's statutory and contractual obligations and any liabilities within normal business terms.

To this end, the Association will seek to establish reserves to run its services for a minimum of three months together with any additional costs arising from its general financial commitments, as outlined above. The Association, therefore, aims to hold a minimum free reserve of approximately £145,000. At the end of the accounting period the Association has a free reserve of £317,511.

In order to ensure that we achieve the financial aims set out above, the Association's Finance Committee will review its services and financial commitments on an annual basis to assess the optimum level of reserves.

In determining the level of reserves required to meet points one and two of the financial aims, consideration will be given to the restricted, unrestricted and designated resources held by each service.

In the event of the Association's activities being wound up, as outlined in financial aim three, the Association's Trustees will seek to use all available funds to ensure its financial obligations are met.

- **Investment Policy**

The Memorandum and Articles of Association provide that the company invests monies not immediately required for its own purposes in or upon such investments, securities or property as may be thought fit. At the present time the Executive Committee's policy is to maintain such monies on deposit earning a market rate of interest.

KENSINGTON AND CHELSEA MENTAL HEALTH ASSOCIATION

EXECUTIVE COMMITTEE'S REPORT (continued)

For the year ended 31 March 2017

Auditors

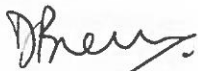
A proposal to re-appoint haysmacintyre as auditors for the forthcoming year will be put forward at the Annual General Meeting.

Thank you

Mind could not exist without funding from individual donors, trusts and public bodies and we thank all for their support.

We would also like to record our thanks to all of the staff and volunteers of Mind for their skills, dedication and commitment and the enormous part they play in helping us realise our vision to improve mental health for all.

This report was approved by the Executive Committee on 20 September 2017 and signed on its behalf, by:



Damian Brennan
Chair

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF KENSINGTON AND CHELSEA MENTAL HEALTH ASSOCIATION

We have audited the financial statements of Kensington and Chelsea Mental Health Association for the year ended 31 March 2017 which comprise the Statement of Financial Activities, the Balance Sheet, the Cash Flow Statement and the related notes. 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).

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.

Respective responsibilities of trustees and auditor

As explained more fully in the Trustees' Responsibilities Statement set out on page 4, 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.

We have been appointed auditor under the Companies Act 2006. Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

Scope of the audit of the financial statements

A description of the scope of an audit of financial statements is provided on the Financial Reporting Council's website at www.frc.org.uk/auditscopeukprivate.

Opinion on financial statements

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 2017 and its net movement in funds, including the income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

**INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF KENSINGTON AND CHELSEA MENTAL
HEALTH ASSOCIATION**

Opinions on other matters prescribed by the Companies Act 2006

In our opinion, based on the work undertaken in the course of the audit:

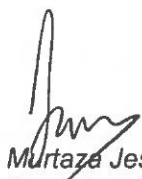
- The information given in the Trustees' Annual Report (which the directors' report) for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- The Trustees' Annual Report (which incorporates the directors' report) has been prepared in accordance with applicable legal requirements.

In the light of our 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 (which incorporates the directors' report).

Matters on which we are required to report by exception

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

- the charitable company has not kept adequate and sufficient accounting records, or returns adequate for our audit have not been received from branches not visited by us; or
- the charitable company financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of trustees' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit; 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 exemption in preparing the Trustees' Annual Report and in preparing the Strategic Report.


Murtaza Jessa (Senior statutory auditor)
for and on behalf of haysmacintyre, Statutory Auditor

Date: 20/09/2017

26 Red Lion Square
London
WC1R 4AG

KENSINGTON AND CHELSEA MENTAL HEALTH ASSOCIATION

STATEMENT OF FINANCIAL ACTIVITIES (including Income and Expenditure Account)

For the year ended 31 March 2017

		Unrestricted funds 2017 £	Restricted funds 2017 £	Total funds 2017 £	Total funds 2016 £
Income from:					
	Notes				
Donations and legacies	2	3,130	-	3,130	24,211
Investments		1,833	-	1,833	2,049
Charitable activities	3				
<i>Grants & contracts</i>		-	629,433	629,433	466,587
<i>Community developments services</i>		-	-	-	150
<i>Work and training</i>		-	-	-	6
Total		<u>4,963</u>	<u>629,433</u>	<u>634,396</u>	<u>493,003</u>
Expenditure on:					
Charitable activities	4	-	574,699	574,699	422,431
Total		<u>-</u>	<u>574,699</u>	<u>574,699</u>	<u>422,431</u>
Net income/(expenditure)		4,963	54,734	59,697	70,572
Transfers between funds		20,435	(20,435)	-	-
Net movement in funds					
Total funds brought forward		<u>346,348</u>	<u>153,943</u>	<u>500,291</u>	<u>429,719</u>
Total funds carried forward		<u>371,746</u>	<u>188,242</u>	<u>559,988</u>	<u>500,291</u>

The results for the year are derived from continuing operations.

There were no recognised gains or losses, other than those passing through the statement of financial activities.

The comparative figures for 2016 have been represented under FRS102 (SORP 2015) on the Statement of Financial Activities in Note 18.

The notes on pages 19 to 30 form part of these financial statements.

KENSINGTON AND CHELSEA MENTAL HEALTH ASSOCIATION

BALANCE SHEET

For the year ended 31 March 2017

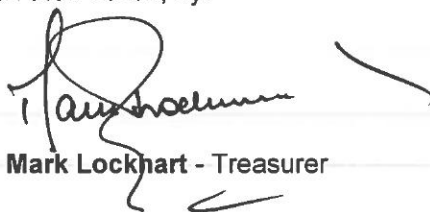
Company no. 1002986

	Notes	2017 £	2016 £
Fixed assets			
Tangible assets	9	4,305	1,511
Current assets			
Debtors	10	4,901	4,280
Cash at bank and in hand		<u>589,207</u>	<u>524,358</u>
		594,108	528,638
Creditors: amounts falling due within one year	11	<u>(38,425)</u>	<u>(29,858)</u>
Net current assets		<u>555,683</u>	<u>498,780</u>
Total assets less current liabilities		<u>559,988</u>	<u>500,291</u>
Capital and reserves			
Restricted funds	12	188,242	153,943
Unrestricted - Designated	12	54,235	33,800
Unrestricted - General	12	<u>317,511</u>	<u>312,548</u>
Total funds		<u>559,988</u>	<u>500,291</u>

The financial statements were approved and authorised for issue by the Executive Committee on 20/09/2017 and signed on their behalf, by:



Damian Brennan - Chair



Mark Lockhart - Treasurer

The notes on pages 19 to 30 form part of these financial statements.

KENSINGTON AND CHELSEA MENTAL HEALTH ASSOCIATION**STATEMENT OF CASH FLOW****For the year ended 31 March 2017**

	Notes	2017	2016
		£	£
Cash flows from operating activities	17	67,633	63,503
Cash flows from investing activities			
Dividends and interest		1,833	2,049
Purchase of investments		-	-
Proceeds from sale of investments		-	-
Purchase of property, plant and equipment		(4,617)	(1,680)
Net cash provided by/(used in) investing activities		(2,784)	369
Change in cash and cash equivalents in the reporting period		64,849	63,872
Cash and cash equivalents at the beginning of the reporting period		524,358	460,486
Cash and cash equivalents at the end of the reporting period		589,207	524,358

1 Accounting policies

1.1 Basis of preparation of financial statements

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) (effective 1 January 2015) - (Charities SORP (FRS102)), the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS102) and the Companies Act 2006.

The charity meets the definition of a public entity under FRS102. Assets and liabilities are initially recognised at historical cost or transaction value unless otherwise stated in the relevant accounting policy notes.

Going Concern

Given the charitable company's level of free reserves available at the year end, the Trustees consider that the charitable company has adequate resources to continue in operational existence for the foreseeable future. Accordingly the financial statements have been prepared on a going concern basis.

1.2 Company status

The Association is a company limited by guarantee. In the event of the company being wound up the liability in respect of the guarantee is limited to £1 per member of the company.

1.3 Fund accounting

General funds are unrestricted funds which are available for use at the discretion of the Executive Committee in furtherance of the general objectives of the company and which have not been designated for other purposes.

Designated funds comprise unrestricted funds that have been set aside by the Executive Committee for particular purposes. The aim and use of each designated fund is set out in the notes to the financial to the financial statements.

Restricted funds are funds which are to be used in accordance with specific restrictions imposed by donors which have been raised by the company for particular purposes. The cost of raising and administering such funds are charged against the specific fund. The aim and use of each restricted fund is set out in the notes to the financial statements.

1.4 Income

All incoming resources are included in the Statement of Financial Activities when the company is legally entitled to the income and the amount can be quantified with reasonable accuracy.

Income from donations and grants is included in incoming resources when these are receivable, except that when donors specify that donations and grants given to the company must be used in future accounting periods, the income is deferred until those periods. For legacies, entitlement is the earlier of the company being notified of an impending distribution or the legacy being received.

KENSINGTON AND CHELSEA MENTAL HEALTH ASSOCIATION

NOTES TO THE FINANCIAL STATEMENTS (continued)

For the year ended 31 March 2017

1.5 Resources expended

All expenditure is accounted for on an accruals basis and has been included under expense categories that aggregate all costs for allocation to activities. Where costs cannot be directly attributed to particular activities they have been allocated on a basis consistent with the use of the resources. Overheads have allocated on the basis of staff costs.

Support costs are those costs incurred directly in support of expenditure on the objects of the company and include costs of project management.

Governance costs are those incurred in connection with administration of the company and compliance with constitutional and statutory requirements.

1.6 Cash flow

Statement of cash flow has been prepared as income for the organisation is over five hundred thousand pounds.

1.7 Tangible fixed assets and depreciation

All assets costing more than £500 are capitalised.

Tangible fixed assets are stated at cost less depreciation. Depreciation is provided at rates calculated to write off the cost of fixed assets, less their estimated residual value, over their expected useful lives on the following basis:

Motor vehicles	4 years
Furniture and equipment	4 to 10 years
Computer equipment	4 years

1.8 Operating leases

Rentals applicable to operating leases where substantially all of the benefits and risks of ownership remain with the lessor are charged to the SOFA as incurred.

1.9 Pensions

Pension costs reflect contributions made to individual approved personal pension plans for company staff. In line with government legislation the company also offers a stakeholder pension scheme for its staff.

1.10 VAT

The Charity is not registered for VAT. Costs are shown inclusive of irrecoverable VAT.

1.11 Intangible income

The company and its projects draw on the services of many professional and talented people. Where these are donated no financial value has been placed thereon within these accounts.

1.12 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.

KENSINGTON AND CHELSEA MENTAL HEALTH ASSOCIATION

NOTES TO THE FINANCIAL STATEMENTS (continued)

For the year ended 31 March 2017

1.13 Creditors

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 discount due.

1.14 Employee benefits

Short term benefits

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

Employee termination benefits

Termination benefits are accounted for on an accrual basis and in line with FRS 102.

	2017 £	2016 £
2 INCOME FROM DONATIONS AND LEGACIES		
Sundry grants and donations	3,130	24,211

KENSINGTON AND CHELSEA MENTAL HEALTH ASSOCIATION

NOTES TO THE FINANCIAL STATEMENTS (continued)

For the year ended 31 March 2017

3 INCOME FROM CHRITABLE ACTIVITIES

Grants and contracts

	2017	2016
	£	£
The Royal Borough of Kensington & Chelsea - Social Services	398,983	411,483
National Mind	24,922	23,078
Mind in Harrow	-	4,000
H & F Mind	6,063	-
K & C Foundation	-	3,050
CNWL NHS Trust	16,404	24,976
NHS West London	183,061	-
Subtotal grants and contracts	629,433	466,587
Work and Training	-	6
Community Development Services	-	150
Total	629,433	466,743

ANALYSIS BY ACTIVITIES

	Royal Borough of Kensington & Chelsea	Other Grants	Other Income	Many Hands Trading	Total 2017	Total 2016
Restricted Funds	£	£	£	£	£	£
Work and Training	327,833	11,690	-	-	339,523	339,523
Service User Network	47,150	1,500	-	-	48,650	69,650
Community Development Services	24,000	34,199	-	-	58,199	57,414
Friends In Need	-	183,061	-	-	183,061	-
Sub total	398,983	230,450	-	-	629,433	466,587
Unrestricted Funds						
Community Development Services	-	-	-	-	-	150
Work and Training	-	-	-	-	-	6
Total	398,983	230,450	-	-	629,433	466,743

KENSINGTON AND CHELSEA MENTAL HEALTH ASSOCIATION

NOTES TO THE FINANCIAL STATEMENTS (continued)

For the year ended 31 March 2017

4 CHARITABLE ACTIVITIES

	Direct Staff Costs 2017 £	Direct Other Costs 2017 £	Support Costs 2017 £	Total 2017 £	Total 2016 £
Work and Training	203,794	83,460	51,800	339,054	331,989
Service User Network	30,170	9,624	7,467	47,261	55,138
Community Development Services	26,470	8,160	8,490	43,120	35,304
Friends In Need	92,016	26,189	27,059	145,264	-
	<u>352,450</u>	<u>127,433</u>	<u>94,816</u>	<u>574,699</u>	<u>422,431</u>

5 ALLOCATION OF SUPPORT COSTS

	Work & Training £	Service User Network £	Community Dev Services £	Friends In Need £	Total 2017 £	Total 2016 £
Staff costs	21,150	3,038	3,556	11,235	38,979	20,526
Premises costs	13,168	1,892	2,215	6,995	24,270	18,245
General costs	11,736	1,686	1,973	6,234	21,629	19,545
Governance (Note 6)	5,746	851	746	2,595	9,938	10,322
	<u>51,800</u>	<u>7,467</u>	<u>8,490</u>	<u>27,059</u>	<u>94,816</u>	<u>68,638</u>

Support costs are costs of central management. These costs are apportioned to activities on a per capita basis.

KENSINGTON AND CHELSEA MENTAL HEALTH ASSOCIATION**NOTES TO THE FINANCIAL STATEMENTS (continued)****For the year ended 31 March 2017**

6 GOVERNANCE COSTS

	2017	2016
	£	£
Support costs	-	-
Audit fees	7,584	7,950
Accountancy	2,160	2,160
Legal and Professional fees	194	212
	9,938	10,322

7 NET RESOURCES EXPENDED

	2017	2016
	£	£
This is stated after charging:		
Depreciation of tangible fixed assets		
- owned by the charity	1,823	3,676
Auditor's remuneration - audit fees	7,584	7,950
Auditor's remuneration - non audit	2,160	2,160
Pension costs	7,711	1,028

KENSINGTON AND CHELSEA MENTAL HEALTH ASSOCIATION

NOTES TO THE FINANCIAL STATEMENTS (continued)

For the year ended 31 March 2017

8 STAFF COSTS AND NUMBERS

Staff costs during the year were as follows:

	2017 £	2016 £
Wages and salaries	350,296	243,623
Social security costs	33,422	21,377
Pension costs	7,711	1,028
	391,429	266,028
Agency costs	-	-
	391,429	266,028

The average monthly head count was 14 staff (2016:10 staff) and the average monthly number of full-time equivalent employees during the year was as follows:

	2017 No.	2016 No.
Senior management and supervision	1	1
Administration	1	1
Finance	1	1
Mental Health Service delivery	10	5
	13	8

No employee earned over £60,000 per annum in the current accounting period (2016 - NIL).

The Association has agreed to match individuals' contributions to approved personal pension plans up to an amount equal to 6% of the gross salary costs for the year. The company also provides a stakeholder pension scheme to its employees.

Key management personnel comprise the Director and the Services Manager who joined in June 2015. The total employee benefits of the key management personnel of the charity were £93,253 (2016: £82,778).

KENSINGTON AND CHELSEA MENTAL HEALTH ASSOCIATION

NOTES TO THE FINANCIAL STATEMENTS (continued)

For the year ended 31 March 2017

9 TANGIBLE FIXED ASSETS

	Furniture and equipment £	Motor vehicles £	Computer equipment £	Total £
Cost				
At 1 April 2016	81,415	22,386	50,537	154,338
Additions	-	-	4,617	4,617
At 31 March 2017	81,415	22,386	55,154	158,955
Depreciation				
At 1 April 2016	80,624	22,386	49,817	152,827
Charge for the year	362	-	1,461	1,823
At 31 March 2017	80,986	22,386	51,278	154,650
Net book value at 31 March 2017	429	-	3,876	4,305
Net book value at 31 March 2016	791	-	720	1,511

10 DEBTORS

	2017 £	2016 £
Due within one year		
Trade debtors	-	-
Other debtors	3,221	2,532
Prepayments	1,680	1,747
	4,901	4,280

11 CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2017 £	2016 £
Trade creditors	3,564	6,013
Social security and other taxes	9,485	6,831
Accruals and deferred income	24,377	17,015
Pension creditor	999	-
	38,425	29,858

KENSINGTON AND CHELSEA MENTAL HEALTH ASSOCIATION

NOTES TO THE FINANCIAL STATEMENTS (continued)

For the year ended 31 March 2017

12 STATEMENT OF FUNDS

	Brought forward £	Incoming resources £	Resources expended £	Transfers in/(out) £	Carried forward £
Unrestricted funds					
<i>General Funds</i>	312,548	4,963	-	-	317,511
<i>Designated funds</i>					
Development Fund	8,800	-	-	20,435	29,235
Staff Service Fund	25,000	-	-	-	25,000
Subtotal	33,800	-	-	20,435	54,235
Total unrestricted funds	346,348	4,963	-	20,435	371,746
Restricted funds					
Work and Training	72,084	339,523	(339,054)	-	72,553
Service User Network	52,051	48,650	(47,261)	-	53,440
Community Development Services	29,808	58,199	(43,120)	-	44,887
Friends In Need		183,061	(145,264)	(20,435)	17,362
Total restricted funds	153,943	629,433	(574,699)	(20,435)	188,242
TOTAL FUNDS	500,291	634,396	(574,699)	-	559,988

Designated funds

Development fund

The development fund represents funding that has been set aside to carry out a strategic review and the research and development of new mental health initiatives as opportunities arise. A transfer was made from Restricted Funds following the merger with Friends In Need.

Staff Service Fund

Monies have been set aside in the staff service fund to ensure there are adequate reserves available to cover future ad hoc staff costs such as maternity, sick pay and redundancy.

General funds

Funds available are sufficient to permit the company to continue in operation in the short term given the continued support of the funders. Should this support not continue in the longer term, further financial support would need to be sought to replace it.

Restricted funds

The Association's restricted funds are received from commissioning bodies for specific projects and can only be used for these purposes. Each of the projects is described in more detail in the report of the Executive Committee.

KENSINGTON AND CHELSEA MENTAL HEALTH ASSOCIATION

NOTES TO THE FINANCIAL STATEMENTS (continued)

For the year ended 31 March 2017

13 ANALYSIS OF NET ASSETS BETWEEN FUNDS

	Restricted funds 2017 £	Unrestricted funds 2017 £	Total funds 2017 £	Total funds 2016 £
Tangible fixed assets	3,892	413	4,305	1,511
Current assets	222,775	371,333	594,108	528,638
Current liabilities	(38,425)	-	(38,425)	(29,858)
	<u>188,242</u>	<u>371,746</u>	<u>559,988</u>	<u>500,291</u>

14 SHARE CAPITAL

The company is limited by guarantee without a share capital. Every member has undertaken to contribute to the assets of the company in the event of it being wound up, to an amount not exceeding £1.

15 OPERATING LEASE COMMITMENTS

At 31 March 2017 the Association has annual commitments under cancellable operating leases as follows:-

Expiry date:	2017 £	2016 £
Within 1 year	3,720	2,988
between 1 and 5 years	7,008	6,128
After more than five years	-	-

16 PENSION COMMITMENTS

The pension contributions due from KC Mind for the year is £4,289 (2016: £1,028).

Pension contributions outstanding as at 31 March 2017 £999 (2016: £nil).

17 NOTES TO THE CASH FLOW STATEMENT

	2017 £	2016 £
Reconciliation of Net Movement in Funds to Net Cash Flow from Operating Activities		
Net movement in funds per SOFA	59,697	70,572
(Gains) on investments	(1,833)	(2,049)
Depreciation charges	1,823	3,676
Loss on sale of fixed assets		
(Increase) in debtors	(621)	(2,051)
Increase/ (Decrease) in creditors	8,567	(6,645)
Interest and Dividends		
Net cash provided by/ (used in) operating activities	<u>67,633</u>	<u>63,503</u>
Analysis of Cash and Cash Equivalents		
	2017 £	2016 £
Cash at bank and in hand	<u>589,207</u>	<u>524,358</u>
	<u>589,207</u>	<u>524,358</u>

KENSINGTON AND CHELSEA MENTAL HEALTH ASSOCIATION

NOTES TO THE FINANCIAL STATEMENTS (continued)

For the year ended 31 March 2017

18 COMPARATIVE SOFA

		Unrestricted funds 2016 £	Restricted funds 2016 £	Total funds 2016 £
Income from:				
	Notes			
Donations and legacies	2	24,211	-	24,211
Investments		2,049	-	2,049
Charitable activities	3			
<i>Grants & contracts</i>		-	466,587	466,587
<i>Community developments services</i>		150	-	150
<i>Work and training</i>		6	-	6
Total		26,416	466,587	493,003
Expenditure on:				
Charitable activities	4	10,322	412,109	422,431
Total		10,322	412,109	422,431
Net movement in funds		16,094	54,478	70,572
Total funds brought forward		330,254	99,465	429,719
Total funds carried forward		346,348	153,943	500,291

19 TRANSACTIONS WITH RELATED PARTIES

None of the Trustees have been paid any remuneration or received any benefits during the year (2016: £nil).

No Trustee was reimbursed expenses during the year (2016: £nil).

Trustee donations during the year totalled £80 (2016: £5)