

SUTTON MENTAL HEALTH FOUNDATION CHARITY COMPANY
(A Company Limited by Guarantee and not having a Share Capital)

ANNUAL REPORT AND ACCOUNTS
FOR THE 12 MONTHS to 30 SEPTEMBER 2018

Sutton Mental Health Foundation
63 Downs Road
Belmont
Surrey
SM2 5NR

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Company Number: 3549053
Registered Charity Number: 1069945

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SUTTON MENTAL HEALTH FOUNDATION CHARITY COMPANY
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Report of the Trustees for the twelve months ended 30 September 2018

Charity Name: Sutton Mental Health Foundation Charity Company

Company Registration Number: 3549053

Charity Registration Number: 1069945

Registered Office: 63 Downs Road
Belmont, Surrey
SM2 5NR

Chairman: David Jones
Treasurer: Malcolm Booth
Trustee: Christopher Akass (from 21 May 2018)
Trustee: Steve Francis
Trustee: Naomi Kenny (from 9 April 2018)
Trustee: Doris Richards
Trustee: Natalie Rogers (from 21 May 2018)
Trustee: Peter Thomas
Manager and Company Secretary: Carol Jacques

Manager: Carol Jacques (to 2 September 2018)
Operational Services Manager: Ovie Oboh (from 3 September 2018)
**Peer Support Co-ordinator and
Community Liaison Lead:** Carol Jacques (from 3 September 2018)

Bankers: Lloyds TSB Bank
49 High Street
Sutton, Surrey

The Charities Official Investment Fund (COIF)
St Alphage House
2 Fore Street
London EC2Y 5AQ

Auditors: Myrus Smith
Chartered Accountants
Norman House, 8 Burnell Road
Sutton, Surrey SM1 4BW

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Report of the Trustees for the twelve months ended 30 September 2018

Report on the year

This report describes how the Foundation provides essential non-clinical support to people in Sutton recovering from mental distress. Our work offers hope, builds both relationships and resilience, and changes lives beyond expectations.

The Connect, Learn, Support hub at Belmont has a long history of providing informal support in a friendly environment. Around it we have built a range of other activities tailored to individual need. From its origins on a mental health ward, our peer support team has moved out into community settings. Plans were made in the last year to offer support in the Accident and Emergency Unit at St Helier Hospital and to promote peer support to Polish speakers and as part of a new peri-natal support service. It is too early to report on the results.

We worked with Community Action Sutton on a bid for a "Time to Change" hub with the aim of recruiting champions to challenge the widespread stigma faced by people with mental health problems. Our funding bid was unsuccessful but, with the encouragement of the London Borough of Sutton and NHS Sutton, we are continuing to collaborate.

There have been several changes to the staff of the Foundation. Cecile Bowie's departure in April was followed in August by the sad death of Alan Leader and by Carol Jacques' decision to step down from her management role to concentrate on intentional peer support and community liaison work. As a result of these changes and with the encouragement of NHS Sutton we have shifted resources into peer support work, whilst continuing to underpin the activities of Sutton 1in4 Network, where a small team of dedicated volunteers represents the interests of people who use mental health services and builds social networks for mutual support and independent recreational activities. On 3 September we welcomed Ovie Oboh to the new post of Operational Services Manager, taking on many of the management responsibilities which had previously fallen to Carol. At the same time Carol moved into the parallel role of Peer Support Co-ordinator and Community Liaison Lead.

Three new trustees were appointed. Natalie Rogers is a strategic HR consultant and has experience as a local councillor and school governor. Naomi Kenny is vocational co-ordinator and subject leader for health and social care in a local secondary school and has extensive experience of working with young people. Kit Akass is a psychiatrist in the National Health Service, presently working in Sutton.

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Report of the Trustees for the twelve months ended 30 September 2018

All have strong local connections and a lively interest in promoting good mental health.

We welcome the fresh and critical eye that our new trustees bring to the work of the Foundation and remain on the lookout for further recruits. Our commissioners (Sutton Clinical Commissioning Group and the London Borough of Sutton) have maintained their support despite tough spending constraints and we thank both them and the growing number of donors who support our work. Above all, we are grateful to the staff, volunteers and users whose passion to change lives for the better is a constant inspiration.

Structure, Governance and Management

Governing Document

The Company is a charitable company limited by guarantee. Its governing documents are its Memorandum and Articles of Association.

Trustees

The directors of the Company are also charity trustees for the purpose of charity law and under the company's articles are known as members of the Board of Trustees. They are elected to serve for a period of three years and may be re-elected for a further period by the Annual General Meeting.

The Board seeks members who understand the needs of people who use mental health services, who reflect the diversity of the community and who can contribute to the business needs of the Company. People with direct experience of mental distress are actively welcomed to serve on the Board.

During the year the board had a broad mix of skills drawn from commerce, administration, social work, human relations and psychiatry. Several Trustees have direct experience of mental health problems and of using mental health services. All made contributions to the work of the company by sharing their expertise with staff and in other ways.

In the event of the Company being wound up Trustees are required to contribute an amount not exceeding £1.

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Report of the Trustees for the twelve months ended 30 September 2018

Organisational Structure

The Board of Trustees meets at least bi-monthly and is responsible for the strategic direction and policy of the Company. The Secretary also sits on the Board but does not vote.

The manager is responsible for the day to day running of the Company's activities and for the supervision and development of its staff. Certain functions may be delegated to other senior staff.

The Board of Trustees is responsible for the management of the risks faced by the Company. Risks are identified, assessed and reviewed throughout the year. The Company's risk management processes are reviewed annually.

The key controls used by the Company include:

- Formal Board agendas
- Strategic planning, budgeting and management accounting
- Established organisational structure and lines of reporting
- Formal written policies
- Clear authorisation and approval levels
- Vetting procedures as required by law for the protection of vulnerable adults.

The Board of Trustees is satisfied that the major risks identified through the risk management processes established for the Company have been adequately mitigated where necessary. It is recognised that systems can only provide reasonable but no absolute assurance that major risks have been adequately managed.

The Company recognises the importance of its relationships with its main funders, the Sutton Clinical Commissioning Group (NHS Sutton) and the London Borough of Sutton. It also seeks to work closely with statutory service providers, particularly the South West London and St George's Mental Health NHS Trust, and with Sutton Centre for the Voluntary Sector (now known as Community Action Sutton) and third sector funders and charitable trusts.

SUTTON MENTAL HEALTH FOUNDATION CHARITY COMPANY
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Report of the Trustees for the twelve months ended 30 September 2018

Objects, Aims, Objectives and Activities

Charitable Objects

The Company is established "for the benefit of people with mental health problems and their carers resident in the London Borough of Sutton, in particular, but without prejudice to the generality of the foregoing, by providing facilities for recreation or other leisure-time occupation in the interests of social welfare and with the object of improving their conditions of life; and for other charitable purposes as the trustees, in their discretion, shall from time to time determine.

Public Benefit

Within these Objects, the Company's public benefit aim is to provide high quality support to residents of Sutton who have experienced mental distress or who are at risk of doing so. Most services are provided free of charge to users, subject to capacity, although a charge may be made for services which provide direct benefit to individuals or small groups.

The Trustees seek continually to review the services provided and to adapt them to changing needs. In particular, the trustees seek to involve the people who use the Foundation's services in developing, delivering and evaluating these services to ensure that they meet the relevant needs as fully as possible.

Accordingly the Board of Trustees has complied with the duty in Section 17, Charities Act 2011, to have regard to the Public Benefit guidance published by the Charity Commission.

Activities

The Company's principal activities are as follows:

Belmont Connect

Belmont Connect is a drop-in service commissioned and paid for by the London Borough of Sutton. It is open on four weekdays and on Sundays to offer a safe and welcoming environment and social support to people who have experienced severe mental distress. A cooked meal is available for a reasonable charge at all sessions. Activities include physical exercise, arts and crafts, games and outings. Some

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Report of the Trustees for the twelve months ended 30 September 2018

activities, including drama and music sessions, relaxation and mindfulness are peer led and Sunday sessions are entirely user-run. Informal support with practical

issues of daily living and signposting to other services are offered by staff and volunteers. The Connect service has a strong ethos of community and mutual support.

Advice services

The Foundation does not offer advice directly but Sutton Citizens' Advice Bureau and Surrey Law Centre make regular visits and their services are open to our users.

Client and community development work

Both our part-time development workers left our employment during the year. This led to a substantial reshaping of our NHS-funded work.

Our Community Development Worker, Cecile Bowie, had been engaged primarily in promoting understanding of mental health amongst community groups and developing collaborative projects with other organizations with a view to addressing specific mental health problems. During her time in Sutton Cecile worked with the Traveller Community, notably on the production of a film "Romany Me", researched the practicability of a crisis house in Sutton and established the Hope Line support service. More recently she worked with a Muslim community organization and with a charity seeking to address the needs of prisoners on release from the local prison. She also played an important part in enabling us to offer tailored training on mental health to other local organizations.

The board had already decided to withdraw from most mental health training because of the difficulty of recovering the costs involved but Cecile's resignation in April 2018 led us to review priorities with NHS Sutton and the remaining work was brought to a close, making way for a new initiative to support mental health patients with their physical health, which is notably poor relative to the population in general.

Our Client Development Worker, Alan Leader, suffered increasing ill health over the course of the year and we are sorry to report that he died in August. Alan had been a part of the SMHF team for almost ten years. He joined us with extensive experience of working alongside and representing people with very severe mental health problems. His vision and drive led to the establishment of the Sutton 1in4

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Report of the Trustees for the twelve months ended 30 September 2018

Network, which rapidly established itself as a focal point for people to work together on projects and activities of their own choosing. He worked with people using services to set up the Commissioning Advisory Group, which meets commissioners regularly to discuss the commissioning and performance of mental health services and he ran training to equip people to play their part effectively in these discussions. He built strong relations with the regular users of Sutton Mental Health Foundation's "Connect" service, encouraging them to re-engage with social activities such as football matches, and established and supported the user-led Activ8 social activities programme and Circles of Support meeting in community venues.

Alongside these local activities, Alan found time to engage in a wide range of activities on a broader stage. He worked with people who use the services of the South West London and St George's Mental Health NHS Trust, contributing to the development of the Trust's Council and encouraging people to become members of its Council. He was involved in several Trust projects, both as an individual and with Sutton 1in4, including work on Care Plans, Making Safeguarding Personal and policies on physical restraint. In the course of these activities he made many friends and contacts and built on his previous work in other places.

Alan's death came as a shock to many who worked closely with him and we remember him with affection, respect and gratitude. We thank Jane Isaac (his assistant) and colleagues in 1in4 for their efforts to keep things going and our next report will explain how we plan to continue the work that he led.

We held Signpost Sutton sessions on subjects that affect the lives of people with mental health problems, including universal credit and housing issues. We continue to be involved in the delivery and evaluation of Sutton's Crisis Care Concordat and to promote the Activ8 programme.

Peer support

We continued to provide peer support, part funded by NHS Sutton, to in-patients at Springfield Hospital and to people receiving mental health treatment in the community [or recently discharged]. Hearing Voices Groups met regularly throughout the year and the telephone Hope Line operated on Saturday and Sunday evenings, with generous support provided by constituents of Tom Brake MP.

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Achievements and performance

- 1. Providing support.** The Foundation provided direct support to over 200 people in the course of the year through its Connect service, intentional peer support and other services. Day to day contact with staff and volunteers at Belmont provided a safe and welcoming environment in which informal support could be readily given, whilst our arrangements with Sutton CAB and Surrey Law Centre gave access to formal advice when needed. The Hope Line gave access to support at a time when other facilities are closed.
- 2. Building relationships and resilience.** During the last year the Foundation has put extra effort into raising awareness of its facilities and activities, visiting by invitation a local African church, a secondary school, patient reference groups, a prison and a major local employer. Presentations have been made to local GPs and to a Mental Health Panel meeting. A conference was arranged with NHS Sutton on the need for physical health checks for mental health patients and a Macmillan nurse gave a talk to Signpost Sutton on early detection of cancer.
- 3. Information and advice.** Three to five people each week benefited from CAB's advice surgeries on our premises and pro bono advice from Surrey Law Centre was given fortnightly by appointment.
- 4. Sutton 1in4 Network** This was supported in its work with SW London and St George's Mental Health Trust on Making Safeguarding Personal, producing a video that will be used in the Trust's staff training programme. Members of 1in4 have been interviewed by the British Association of Social Workers' magazine and made presentations to the Sutton Safeguarding Adults Board Conference and to a training day in Westminster.
- 5. Training.** We have strengthened links with other local voluntary organizations, facilitating training on mental health awareness at Sutton Centre for the Voluntary Sector and offering training at an event where all local GP practices were represented. We also spoke about our work at a "Lunch and learn" event at the head office in Sutton of an international company.
- 6. Peer support.** Our trainers have co-delivered training in London with their counterparts from the United States and have run training in Sutton. 11 people completed peer support training and started to practise as peer support workers under the co-supervision of peer colleagues and staff. A bid to the Community Fund to provide Polish language peer support was successful and we collaborated with Homestart in a bid to provide perinatal

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mental health peer support groups. Agreement was reached to provide peer support in the A&E department at St Helier Hospital.

- 7. Funding.** We are grateful to several generous donors who supported our work. We have experienced a gradual increase in personal, charitable and corporate donations which give us a degree of freedom to supplement the services which we are contracted to provide and to explore new possibilities.

Plans for 2018-19

Our plans for 2018-19 include:

- Negotiations with NHS Sutton and the London Borough of Sutton to secure financial support for our services from April 2019 onwards.
- Plans to diversify our income
- Introduction and evaluation of peer support projects in new environments
- Consolidating our board and seeking new appointments, especially of people with first hand experience of mental distress, to ensure that we keep the needs of users to the fore
- Making new arrangements to support the work of the Sutton 1in4 Network
- Strengthening our relationship with local commissioners and playing our part in the development of the new Sutton Mental Health Strategy

Financial Review

The results of the Company for the twelve months to 30 September 2018 are set out on pages 16 to 26.

The gross income of the company for the period was £213,336. 36% of income came from the London Borough of Sutton and 52% from NHS Sutton; the remaining from other sources.

Gross expenditure amounted to £189,548 giving a net income of £23,788.

Unrestricted funds:

General fund: Balance: £82,172
Held to meet costs which fall outside the scope of restricted or designated funding, including costs arising from new initiatives and in response to specific needs for which no funding has been received.

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Designated Funds:

Business Continuity Fund: Balance: £50,000

This fund has been set up by the Board to be held in reserve in case of cessation of funding by either (or both) the Local Authority and Clinical Commissioning Group (NHS Sutton) to enable the organisation to maintain its activities for a limited period where appropriate whilst seeking to secure alternative funding

Building Fund: Balance: £383,748

Represents the funds raised and used to purchase the premises and to refurbish them, less accrued depreciation. This fund represents the value of fixed assets and is not held in cash

Fund for Future Obligations: Balance: £50,000

Funds held in reserve to meet any adjustment costs resulting from future loss of funding, such as redundancy payments.

Training activities: Balance: £436

Fund to represent the surplus or deficit on training activities.

Hopeline: Balance: £Nil

This fund has been set up to fund the activities of the evening help phonenumber at the weekends. At present the funding is less than costs so the shortfall is funded by general funds.

Total Unrestricted and Designated Funds: Balance: £566,356

Restricted funds

Hearing Voices: Balance: £3,367

The residue of a grant of £7,000 received to set up hearing voices groups for younger people. With the agreement of the donor, this funding is now being used for similar purposes.

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Renovation: Balance: £15,661

The residue of a fund set up to provide for the modernisation of the Foundation's premises in 2011. This fund is now being used for improvements and repairs to the building as and when they are required.

Safe House Fund: Balance: £22,315

A fund derived mainly from funds raised by the Mayor's charity in 2012/14 to support the development of crisis support services.

Commissioning Advisory Group administrative support: Balance: £3,634
This fund contains the balance of funding provided by NHS Sutton to provide administrative support to the Commissioning Advisory Group during 2018 and 2017.

Belmont and Cheam Connect Learn Support Centres as well as the Sunday Drop In were funded by grants from the London Borough of Sutton. Any surplus has been transferred to General Reserves.

Client and Community Development work is funded by NHS Sutton for work undertaken in the community rather than in the centres, and the annual deficits are funded by the General Reserves.

Investment Policy

Apart from the Building Fund, which is represented by the depreciated value of the Freehold Property, its original improvements and the recent refurbishment, most fund balances are held in bank current and deposit accounts or as cash and as such are immediately available. To increase returns on funds which are to be spent in the short term, the decision has been taken to invest some of the funds on the money market with first class banks for periods of up to one year.

Reserves Policy

The reserves policy calls for reserves to be held in the general funds in the range of three to six months operating expenditure. Based on the last period expenses this would be a financial range of between £47,387 and £94,774. Unrestricted general funds amounted to £82,172 at 30 September 2018.

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Report of the Trustees for the twelve months ended 30 September 2018

The Trustees have continued to seek new opportunities for the Foundation, whilst seeking to reduce costs where possible. The current costs of most activities were fully met during the year although the costs of the two development workers were not fully met by the NHS grant. The Trustees continue to keep costs under regular review.

These unrestricted reserves are held in readily realisable assets which the Trustees consider to be assets that are easily converted into cash. The deposits held in the higher interest accounts meet this requirement.

Statement of Trustee Responsibilities

The Trustees (who are also Directors of Sutton Mental Health Foundation for the purposes of Company Law) are responsible for producing the Trustees' Report and the Financial Statements in accordance with applicable law and United Kingdom accounting standards (United Kingdom General Accounting Standards)

Company Law requires the Trustees to prepare Financial Statements for each financial year, which give a true and fair view of the state of affairs of the Charitable Company and of the incoming resources and application of resources, including the income and expenditure of the charitable company for the year. In preparing those Financial Statements, the Trustees are required to:

- Select suitable accounting policies and apply them consistently
- Make judgements and estimates that are reasonable and prudent
- Observe the methods and principles in the Charities SORP 2016 (FRSSE)
- State whether applicable UK accounting standards have been followed subject to any material departures disclosed and explained in the Financial Statements
- Prepare the Financial Statements on the going concern basis unless it is inappropriate to presume that the Company will continue in operation.

The Trustees are responsible for keeping adequate accounting records which disclose with reasonable accuracy at any time the financial position of the Charitable Company and to enable them to ensure that the Financial Statements comply with the Companies Act 2006. They are responsible for safeguarding the assets of the Company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

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In so far as the Trustees are aware:

- There is no relevant audit information of which the Charitable Company's auditor is unaware; and
- The Trustees have taken all steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditor is aware of that information.

Auditors

A resolution to re-appoint as Auditors Messrs. Myrus Smith, Chartered Accountants, Norman House, 8 Burnell Road, Sutton, Surrey SM1 4BW was adopted at the Annual General Meeting on 4 December 2018.

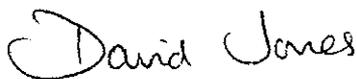
Exemption Statement

This Trustees' report has been prepared in accordance with the special provisions of Part 15 of the Companies Act 2006 relating to Small Companies.

Approved and signed on behalf of the Trustees

Sutton Mental Health Foundation Charity Company
63 Downs Road
Belmont, Surrey
SM2 5NR

Chair
David Jones



Date: 13 May 2019

Treasurer
Malcolm Booth



Date: 13 May 2019

**INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF
SUTTON MENTAL HEALTH FOUNDATION CHARITY COMPANY**

(A Company Limited by Guarantee and Not Having a Share Capital)

Opinion

We have audited the financial statements of Sutton Mental Health Foundation Charity Company (the 'charitable company') for the year ended 30 September 2018 which comprise the Statement of Financial Activities, balance Sheet and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland* (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the charitable company's affairs as at 30 September 2018, and of its incoming resources and application of resources, including its income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the charitable company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

- the trustees' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the trustees have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the charitable company's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

Other information

The trustees are responsible for the other information. The other information comprises the information included in the Report of the Trustees, other than the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006

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

- the information given in the trustees' report (incorporating the directors' report) for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the directors' report has been prepared in accordance with applicable legal requirements

**INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF
SUTTON MENTAL HEALTH FOUNDATION CHARITY COMPANY
(A Company Limited by Guarantee and Not Having a Share Capital)**

Matters on which we are required to report by exception

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 directors' report.

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

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit; or
- the trustees were not entitled to prepare the financial statements in accordance with the small companies' regime and take advantage of the small companies' exemptions in preparing the directors' report and from the requirement to prepare a strategic report.

Responsibilities of trustees

As explained more fully in the trustees' responsibilities statement set out on page 12, the trustees (who are also the directors of the charitable company for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the trustees are responsible for assessing the charitable company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the trustees either intend to liquidate the charitable company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

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

Use of our report

This report is made solely to the charitable company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the charitable company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charitable company and the charitable company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Kevin Fisher BA FCA CTA (*Senior Statutory Auditor*)
For and on behalf of Myrus Smith, Statutory Auditor
Norman House
8 Burnell Road
Sutton, Surrey
SM1 4BW



21 May 2019

SUTTON MENTAL HEALTH FOUNDATION CHARITY COMPANY
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**STATEMENT OF FINANCIAL ACTIVITIES
INCLUDING INCOME AND EXPENDITURE ACCOUNT
FOR THE YEAR ENDED 30 SEPTEMBER 2018**

| | Notes | Total Unrestricted funds £ | Total Restricted funds £ | Total Funds 2018 £ | Total Funds 2017 £ |
|--------------------------------------|-------|-------------------------------------|-----------------------------------|-----------------------------|-----------------------------|
| Income | | | | | |
| Donations and legacies | 2 | 6,551 | 13,100 | 19,651 | 13,986 |
| Charitable activities | 3 | 331 | 186,065 | 186,396 | 188,802 |
| Investments | 4 | 779 | - | 779 | 916 |
| Other | 5 | 4,963 | 1,547 | 6,510 | 3,222 |
| Total | | <u>12,624</u> | <u>200,712</u> | <u>213,336</u> | <u>206,926</u> |
| Expenditure | | | | | |
| Charitable activities | 6 | 2,609 | 186,939 | 189,548 | 237,449 |
| Total | | <u>2,609</u> | <u>186,939</u> | <u>189,548</u> | <u>237,449</u> |
| Net income/(expenditure) | 8 | 10,015 | 13,773 | 23,788 | (30,523) |
| Transfers between funds | | 9,516 | (9,516) | - | - |
| Net movement in funds | | 19,531 | 4,257 | 23,788 | (30,523) |
| Reconciliation of funds | | | | | |
| Fund balances brought forward | | 546,825 | 45,494 | 592,319 | 622,842 |
| Fund balances carried forward | | <u>£566,356</u> | <u>£49,751</u> | <u>£616,107</u> | <u>£592,319</u> |

All income and expenditure derives from continuing activities.

The statement of financial activities includes all recognised gains and losses.

The notes form part of these financial statements.

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BALANCE SHEET AS AT 30 SEPTEMBER 2018

| | Notes | 2018 | | 2017 | |
|---|-------|----------------|-----------------|----------------|-----------------|
| | | £ | £ | £ | £ |
| FIXED ASSETS | | | | | |
| Tangible assets | 11 | | 383,748 | | 385,745 |
| CURRENT ASSETS | | | | | |
| Debtors | 12 | 47,185 | | 48,257 | |
| Cash at bank and in hand | | 187,668 | | 160,406 | |
| | | <u>234,853</u> | | <u>208,663</u> | |
| CREDITORS: Amounts falling due within one year | 13 | <u>2,494</u> | | <u>2,089</u> | |
| NET CURRENT ASSETS | | | <u>232,359</u> | | <u>206,574</u> |
| NET ASSETS | 16 | | <u>£616,107</u> | | <u>£592,319</u> |
| FUNDS | | | | | |
| Unrestricted funds | 14 | | 566,356 | | 546,825 |
| Restricted funds | 15 | | 49,751 | | 45,494 |
| TOTAL FUNDS | | | <u>£616,107</u> | | <u>£592,319</u> |

These financial statements have been prepared in accordance with the special provisions of part 15 of the Companies Act 2006 relating to small companies.

Approved by the Board of Trustees on 13 May 2019
and signed on their behalf by

David Jones

David Jones
Chair

Malcolm Booth

Malcolm Booth
Treasurer

The notes form part of these financial statements.

SUTTON MENTAL HEALTH FOUNDATION CHARITY COMPANY

(A Company Limited by Guarantee and Not Having a Share Capital)

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 SEPTEMBER 2018

1. ACCOUNTING POLICIES

a) Basis of Preparation

The charity constitutes a public benefit entity as defined by FRS 102. 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) issued on 16 July 2014 (as updated through Update Bulletin 1 published on 2 February 2016), the Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland (FRS 102), the Charities Act 2011, the Companies Act 2006 and UK Generally Accepted Accounting Practice.

The financial statements are prepared on a going concern basis under the historical cost convention. The financial statements are presented in sterling which is the functional currency of the charity.

The significant accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all years presented unless otherwise stated.

b) Income Recognition

Income is included in the Statement of Financial Activities when the charity is legally entitled to the income after any performance conditions have been met, the amount can be measured reliably and it is probable that the income will be received.

Grant income is recognised in accordance with agreed budgets and timeframes. Amounts received but which relate to future reporting periods are accounted for as deferred income. In the case of multi-year grants, the aggregate amount of future instalments not yet received and which are subject to satisfactory performance is disclosed as a contingent asset.

c) Expenditure and Irrecoverable VAT

Expenditure is accounted for on an accruals basis and has been classified under headings that aggregate all costs related to the category. Expenditure is recognised where there is a legal or constructive obligation to make payments to third parties, it is probable that the settlement will be required and the amount of the obligation can be measured reliably.

Expenditure on charitable activities comprises the costs of running the various activities and services for the charity's beneficiaries

Expenditure includes those costs of a direct nature which can be allocated to a specific activity. It also includes indirect costs, including governance costs that do not relate to a specific activity but are necessary to support them.

Irrecoverable VAT is charged as a cost against the associated expense heading.

SUTTON MENTAL HEALTH FOUNDATION CHARITY COMPANY

(A Company Limited by Guarantee and Not Having a Share Capital)

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 SEPTEMBER 2018

d) Fund Accounting

Unrestricted general funds are those funds which are freely available for use in furtherance of the objects of the charity and which have not been designated for specific purposes.

Designated funds are unrestricted funds which have been set aside by the trustees for specific purposes.

Restricted funds are funds which can only be used in accordance with specific restrictions imposed by the donor or which have been raised for a particular purpose.

e) Fixed Assets and Depreciation

Depreciation is provided so as to write off the cost of each asset over its estimated useful life at the following annual rates:

| | |
|--------------------------------|------------------------|
| Freehold Land | Nil |
| Freehold Property | 50 years straight line |
| Office equipment and computers | 3 years straight line |
| Furniture and fixtures | 5 years straight line |

2. DONATIONS AND LEGACIES

| | Unrestricted Funds | Restricted Funds | Total 2018 | Total 2017 |
|-----------|-----------------------|---------------------|----------------|----------------|
| Donations | <u>£6,551</u> | <u>£13,100</u> | <u>£19,651</u> | <u>£13,986</u> |

Of the £13,986 received in 2017, all related to unrestricted funds.

3. INCOME FROM CHARITABLE ACTIVITIES

| | Unrestricted Funds £ | Restricted Funds £ | Total 2018 £ | Total 2017 £ |
|----------------------|----------------------------|--------------------------|--------------------|--------------------|
| Grants and contracts | - | 186,035 | 186,035 | 180,472 |
| Training fees | <u>331</u> | <u>30</u> | <u>361</u> | <u>8,330</u> |
| | <u>£331</u> | <u>£186,065</u> | <u>£186,396</u> | <u>£188,802</u> |

Of the £188,802 received in 2017, £8,330 related to unrestricted funds and £180,472 related to restricted funds.

SUTTON MENTAL HEALTH FOUNDATION CHARITY COMPANY
(A Company Limited by Guarantee and Not Having a Share Capital)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 SEPTEMBER 2018**

4. INVESTMENT INCOME

| | Unrestricted Funds | Restricted Funds | Total 2018 | Total 2017 |
|---------------|-----------------------|---------------------|---------------|---------------|
| Bank interest | <u>£779</u> | <u>£Nil</u> | <u>£779</u> | <u>£916</u> |

All of the £916 received in 2017 related to unrestricted funds.

5. OTHER INCOME

| | Unrestricted Funds £ | Restricted Funds £ | Total 2018 £ | Total 2017 £ |
|----------------|----------------------------|--------------------------|--------------------|--------------------|
| Rental income | 4,963 | - | 4,963 | 3,934 |
| Kitchen income | - | 1,547 | 1,547 | (712) |
| | <u>£4,963</u> | <u>£1,547</u> | <u>£6,510</u> | <u>£3,222</u> |

All of the £3,222 received in 2017 related to unrestricted funds.

6. ANALYSIS OF EXPENDITURE ON CHARITABLE ACTIVITIES

| | Direct Costs £ | Support Costs £ | Total 2018 £ | Total 2017 £ |
|---------------------------|----------------------|-----------------------|--------------------|--------------------|
| Salaries | 131,826 | 17,817 | 149,643 | 180,342 |
| Staff and volunteer costs | 902 | 2,140 | 3,042 | 8,511 |
| Travel outings | - | 283 | 283 | 166 |
| Premises | - | 12,475 | 12,475 | 15,034 |
| General office | - | 16,097 | 16,097 | 18,683 |
| Publicity | - | 1,181 | 1,181 | 653 |
| Professional fees | - | 2,400 | 2,400 | 700 |
| Governance (note 7) | - | 2,430 | 2,430 | 2,400 |
| Depreciation | - | 1,997 | 1,997 | 10,960 |
| | <u>£132,728</u> | <u>£56,820</u> | <u>£189,548</u> | <u>£237,449</u> |

Of the £237,449 expenditure in 2017, £18,573 was charged to unrestricted funds and £218,876 was charged to restricted funds.

SUTTON MENTAL HEALTH FOUNDATION CHARITY COMPANY
(A Company Limited by Guarantee and Not Having a Share Capital)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 SEPTEMBER 2018**

7. GOVERNANCE COSTS

| | Total 2018 £ | Total 2017 £ |
|--------------------|--------------------|--------------------|
| Wages and salaries | 600 | 600 |
| Audit fees | 1,830 | 1,800 |
| | <u>£2,430</u> | <u>£2,400</u> |

8. NET INCOME/(EXPENDITURE)

Net income/(expenditure) for the year is stated after charging:

| | 2018 | 2017 |
|--------------------------|---------------|----------------|
| - Auditor's remuneration | £1,830 | £1,800 |
| - Depreciation | £1,997 | £10,960 |
| | <u>£1,830</u> | <u>£10,960</u> |

9. TRUSTEES' REMUNERATION AND EXPENSES

The trustees neither received nor waived any remuneration during the year (2017: £Nil) nor were they reimbursed any expenses.

10. STAFF COSTS

| | Total 2018 £ | Total 2017 £ |
|-----------------------|--------------------|--------------------|
| Wages and salaries | 144,717 | 172,939 |
| Social security costs | 5,526 | 8,003 |
| | <u>£150,243</u> | <u>£180,942</u> |

There was no employee who received total employee benefits (excluding employer pension costs) in excess of £60,000 in either year.

The average number of employees, calculated on a full-time equivalent basis, analysed by function was:

| | 2018 Number | 2017 Number |
|------------------------------|----------------|----------------|
| Direct charitable activities | 8 | 9 |
| Management and support | 2 | 3 |
| | <u>10</u> | <u>12</u> |

SUTTON MENTAL HEALTH FOUNDATION CHARITY COMPANY
(A Company Limited by Guarantee and Not Having a Share Capital)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 SEPTEMBER 2018

11. TANGIBLE FIXED ASSETS

| | Freehold Land | Freehold property | Fixtures and fittings | Office and computer equipment | Total |
|-----------------------|------------------|----------------------|-----------------------------|-------------------------------------|-----------------|
| | £ | £ | £ | £ | £ |
| Cost | | | | | |
| At 1 October 2017 | 173,682 | 321,716 | 23,249 | 25,000 | 543,647 |
| Reclassification | 126,318 | (126,318) | - | - | - |
| Disposals | - | (109,652) | - | - | (109,652) |
| | <hr/> | <hr/> | <hr/> | <hr/> | <hr/> |
| At 30 September 2018 | 300,000 | 85,746 | 23,249 | 25,000 | 433,995 |
| | <hr/> | <hr/> | <hr/> | <hr/> | <hr/> |
| Depreciation | | | | | |
| At 1 October 2017 | 64,264 | 45,389 | 23,249 | 25,000 | 157,902 |
| Charge in year | - | 1,997 | - | - | 1,997 |
| Reclassification | (64,264) | 64,264 | - | - | - |
| Disposals | - | (109,652) | - | - | (109,652) |
| | <hr/> | <hr/> | <hr/> | <hr/> | <hr/> |
| At 30 September 2018 | - | 1,998 | 23,249 | 25,000 | 50,247 |
| | <hr/> | <hr/> | <hr/> | <hr/> | <hr/> |
| Net book value | | | | | |
| At 30 September 2018 | <u>£300,000</u> | <u>£83,748</u> | <u>£Nil</u> | <u>£Nil</u> | <u>£383,748</u> |
| At 30 September 2017 | <u>£109,418</u> | <u>£276,327</u> | <u>£Nil</u> | <u>£Nil</u> | <u>£385,745</u> |

Following a revaluation of the property in July 2018, a separate value of £300,000 was identified for the freehold land. The freehold property has therefore been reclassified as between land and buildings.

12. DEBTORS

| | 2018 | 2017 |
|---------------|----------------|----------------|
| | £ | £ |
| Other debtors | 43,595 | 44,307 |
| Prepayments | 3,590 | 3,950 |
| | <hr/> | <hr/> |
| | <u>£47,185</u> | <u>£48,257</u> |

SUTTON MENTAL HEALTH FOUNDATION CHARITY COMPANY
(A Company Limited by Guarantee and Not Having a Share Capital)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 SEPTEMBER 2018**

13. CREDITORS – amounts falling due within one year

| | 2018 | 2017 |
|-----------------|---------------|---------------|
| Accruals | 1,494 | 2,089 |
| Deferred income | 1,000 | - |
| | <u>£2,494</u> | <u>£2,089</u> |

14. UNRESTRICTED FUNDS

| | 1 Oct 2017 £ | Income £ | Expenditure £ | Project Transfers £ | 30 Sept 2018 £ |
|---------------------|--------------------|----------------|------------------|---------------------------|----------------------|
| General fund | 60,363 | 12,293 | - | 9,516 | 82,172 |
| Designated funds: | | | | | |
| Training | 717 | 331 | 612 | - | 436 |
| Business continuity | 50,000 | - | - | - | 50,000 |
| Future obligations | 50,000 | - | - | - | 50,000 |
| Building fund | 385,745 | - | 1,997 | - | 383,748 |
| | <u>£546,825</u> | <u>£12,624</u> | <u>£2,609</u> | <u>£9,516</u> | <u>£566,356</u> |

Comparative information for the analysis of unrestricted funds in the previous year is as follows:

| | 1 Oct 2016 £ | Income £ | Expenditure £ | Project Transfers £ | 30 Sept 2017 £ |
|---------------------|--------------------|----------------|------------------|---------------------------|----------------------|
| General fund | 82,809 | 18,124 | 1,051 | (39,519) | 60,363 |
| Designated funds: | | | | | |
| Training | - | 8,330 | 7,613 | - | 717 |
| Business continuity | 50,000 | - | - | - | 50,000 |
| Future obligations | 50,000 | - | - | - | 50,000 |
| Building fund | 395,654 | - | 9,909 | - | 385,745 |
| | <u>£578,463</u> | <u>£26,454</u> | <u>£18,573</u> | <u>£(39,519)</u> | <u>£546,825</u> |

The purpose of each fund is set out in the Report of the Trustees.

SUTTON MENTAL HEALTH FOUNDATION CHARITY COMPANY
(A Company Limited by Guarantee and Not Having a Share Capital)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 SEPTEMBER 2018**

15. RESTRICTED FUNDS

| | 1 Oct 2017 £ | Income £ | Expenditure £ | Project transfers £ | 30 Sept 2018 £ |
|-------------------------------|--------------------|-----------------|------------------|---------------------------|----------------------|
| Belmont Connect Learn Support | 2,573 | 71,046 | 71,384 | (2,235) | - |
| Safe House | 22,315 | - | - | - | 22,315 |
| Client Development | - | 38,178 | 40,360 | 2,182 | - |
| Community Development | - | 38,178 | 24,780 | (13,398) | - |
| Hearing Voices | 3,377 | 30 | 40 | - | 3,367 |
| Polish | - | 4,945 | 171 | - | 4,774 |
| Peer Support Works | - | 33,401 | 41,482 | 8,081 | - |
| Sunday Drop In | - | 5,500 | 1,354 | (4,146) | - |
| Renovation | 15,661 | - | - | - | 15,661 |
| CAG Admin | 1,568 | 9,434 | 7,368 | - | 3,634 |
| | <u>£45,494</u> | <u>£200,712</u> | <u>£186,939</u> | <u>£(9,516)</u> | <u>£49,751</u> |

Comparative information for the analysis of restricted funds in the previous year is as follows:

| | 1 Oct 2016 £ | Income £ | Expenditure £ | Project transfers £ | 30 Sept 2017 £ |
|-------------------------------|--------------------|-----------------|------------------|---------------------------|----------------------|
| Belmont Connect Learn Support | - | 69,659 | 65,349 | (1,737) | 2,573 |
| Cheam Connect Learn Support | 22,315 | - | - | - | 22,315 |
| Safe House | - | 37,800 | 41,148 | 3,348 | - |
| Client Development | - | 37,800 | 40,424 | 2,624 | - |
| Community Development | 3,377 | - | - | - | 3,377 |
| Hearing Voices | - | - | 58 | 58 | - |
| 1 in 4 | - | 20,280 | 59,780 | 39,500 | - |
| Peer Support Works | - | 5,500 | 1,226 | (4,274) | - |
| Sunday Drop In | 15,661 | - | - | - | 15,661 |
| Renovation | 3,026 | 9,433 | 10,891 | - | 1,568 |
| CAG Admin | <u>£44,379</u> | <u>£180,472</u> | <u>£218,876</u> | <u>£39,519</u> | <u>£45,494</u> |

The purpose of each fund is set out in the Report of the Trustees.

SUTTON MENTAL HEALTH FOUNDATION CHARITY COMPANY
(A Company Limited by Guarantee and Not Having a Share Capital)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 SEPTEMBER 2018**

16. ANALYSIS OF NET ASSETS BETWEEN FUNDS

| | Tangible fixed assets £ | Net current assets £ | Total 2017 £ |
|---------------------|----------------------------------|-------------------------------|--------------------|
| Restricted Funds: | | | |
| Hearing Voices | - | 3,377 | 3,377 |
| Safe House | - | 22,315 | 22,315 |
| CAG Admin | - | 1,568 | 1,568 |
| Polish | - | 2,573 | 2,573 |
| Renovation | - | 15,661 | 15,661 |
| | <hr/> | <hr/> | <hr/> |
| | - | 45,494 | 45,494 |
| | <hr/> | <hr/> | <hr/> |
| Designated Funds: | | | |
| PSW Training | - | 717 | 717 |
| Business Continuity | - | 50,000 | 50,000 |
| Future Obligations | - | 50,000 | 50,000 |
| Building Fund | 385,745 | - | 385,745 |
| | <hr/> | <hr/> | <hr/> |
| | 385,745 | 100,717 | 486,462 |
| | <hr/> | <hr/> | <hr/> |
| Unrestricted Funds: | | | |
| General Fund | - | 60,363 | 60,363 |
| | <hr/> | <hr/> | <hr/> |
| Total | £385,745 | £206,574 | £592,319 |
| | <hr/> <hr/> | <hr/> <hr/> | <hr/> <hr/> |

17. RELATED PARTY TRANSACTIONS

There were no transactions with related parties in 2018 or 2017.