

EAST SUFFOLK MIND

Company Number: 2611510

Charity Number: 1003061

ANNUAL REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2007

EAST SUFFOLK MIND

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EAST SUFFOLK MIND

ADMINISTRATIVE INFORMATION

FOR THE YEAR ENDED 31 MARCH 2007

Full name of charity East Suffolk Mind

Company Number 2611510

Registered Charity Number 1003061

Trustees (who are also the directors of the limited company for Companies Act 1985 purposes)

Chair	Judith Rose
Vice Chair	Stephen Broughton (resigned May 2007)
Treasurer	John Cresswell
Board Members	Bruce Allard
	David Cocks
	Vera Atkinson-Padmore
	Claudia Grist
	Michael Thomas
	Christopher Shingler
	Philip James (resigned May 2007)
	Linda Yaxley
	Liz Cory (Appointed October 2006)
	Nicci Kippax (Resigned October 2006)

Legal Adviser To be appointed

Medical Adviser Dr John Hague

Chief Executive Ian Hartley (to 31 July 2006)
Joanne Searle (from 1 August 2006)

Company Secretary Ian Hartley (to 31 July 2006)
Joanne Searle (from 1 August 2006)

Registered Office 32 Foundation Street, Ipswich, Suffolk IP4 1BN

Bankers Barclays Bank Plc, 691 Woodbridge Road, Ipswich, Suffolk IP4 4NA

Solicitors Kerseys, 32 Lloyds Avenue, Ipswich, Suffolk IP1 3HD

Auditors Ensors, Cardinal House, 46 St Nicholas Street, Ipswich,
Suffolk IP1 1TT

EAST SUFFOLK MIND

TRUSTEES' REPORT FOR THE YEAR ENDED 31 MARCH 2007

The Trustees of East Suffolk Mind (ESM) present their annual report for the year ended 31 March 2007 under the Companies Act 1985 and the Charities Act 1993, together with the audited financial statements for that year. The accounts comply with the Companies Act 1985, the Charity's governing document and the relevant Statement of Recommended Practice (the Charities SORP 2005).

The information on Page 1 forms part of this report.

Structure, Governance and Management

The Charity has a wholly owned subsidiary, East Suffolk Mind (Trading) Limited. This company remained dormant for the duration of the year.

Governing Document

ESM is an independent charity affiliated to Mind. It is established as a company limited by guarantee and is registered as a charity with the Charity Commission. The liability of members in the event of the charity being wound up is limited to a sum not exceeding £1 each.

The charity is governed by its Memorandum and Articles of Association adopted on 16 May 1991 and last amended on 8 May 2007.

Trustees

The Board is currently comprised of 10 members. All Trustees stand for election at an Annual General Meeting and if elected serve a three year term of office. Trustees may then serve three successive terms of three years. The three officers of Chair, Vice Chair and Treasurer are drawn from the Trustees. The Officers have to be elected each year at the AGM and can serve a maximum term of office of five consecutive years. As an affiliate of the National Association for Mental Health, at least two of the Trustees are required to be users of mental health services. It is expected that the Trustees will reflect the diversity of the local population and bring a variety of relevant skills and experience to the Board.

A full skills audit of the current Board is to take place during the coming year. Trustees are participating in a benchmarking exercise designed to compare, amongst other things, trustee recruitment, retention, skills balance and appraisal, against best practice in the voluntary sector. Once the results of these exercises are known, we shall be in a position to introduce new policies and procedures in this area.

On election, Trustees are provided with a document giving guidance on their duties and responsibilities, and codes of conduct which they are required to sign. They are also advised of East Suffolk Mind's aims and objectives, and provided with organisational information and details of services provided. Although no formal training of trustees currently takes place, arrangements can be made for such training to be given by the Suffolk Association of Voluntary Organisations.

In order to take advantage of the particular expertise or interests of trustees, each trustee is a member of one or more sub-committees of the Board. These sub-committees are currently: Governance Review Committee; Finance and Resources Committee. Each of these Groups meet on a regular basis to discuss matters relevant to them, and submit reports and/or make recommendations to the subsequent meeting of the full Board which will then make decisions where appropriate.

ESM Management

During 2006/7 there has been a full review of all staffing structures and a new management structure has been implemented as a result of extensive consultation and review. The new structure has focused more resources on service delivery and the senior management team is now comprised of 3 posts – Chief Executive, Director of Operations (Raza Ahmed), and Finance & Central Services Director (Julie Woods). It is envisaged that this structure will provide a stable platform and consistent framework for service delivery throughout the organisation, enabling the organisation to engage competitively within the market place.

EAST SUFFOLK MIND

TRUSTEES' REPORT FOR THE YEAR ENDED 31 MARCH 2007 (*continued*)

The Trustees are responsible for agreeing the overall policy of East Suffolk Mind, and the policy is put into practice by the paid staff headed by the Chief Executive. Certain powers are delegated to the Chief Executive and her staff, with the agreement of the Board. It is expected that any matters requiring approval of the Trustees, which are outside the delegated powers would be referred to the Board by the Chief Executive.

Risk Management

In accordance with the SORP, the charity has completely overhauled the mechanisms for reviewing the major risks to which it is exposed. The risk matrix, reflecting the impact of any risk and the likelihood of its occurrence, has been reviewed by the Trustees and updated to accord with current risk assessments and the action plan to mitigate risks as far as practicable.

Objects, Objectives and Principal Activities of the Charity

The Charity's Objects

The objects for which ESM is established are to promote the preservation of mental health and to assist in relieving and rehabilitating persons suffering from mental disorder or conditions of emotional or mental distress requiring advice or treatment in the counties of Suffolk, Norfolk, Essex and Cambridgeshire in association with Mind (the National Association for Mental Health)(hereinafter called "Mind") and in accordance with the aims and objects of Mind, subject to the approval of any branch of Mind, already serving the same area of any of the said counties in which ESM also wishes to operate.

It will provide high quality services and will support its staff by providing high quality terms and conditions and working environments. The organisation will embrace the philosophy of social entrepreneurs. It will be flexible by showing that it can adapt to change, be non-bureaucratic, respond to changing needs and will encourage its staff to work in ways which develop innovative services.

ESM's Mission Statement: "Mental Health Matters"

ESM is committed to ensure that people with experience of mental ill-health are able to fully participate in the communities in which they live and in the services which they receive. The charity will seek to provide a full and varied range of resources and services that offer value for money and that are available to meet the needs of such people.

In meeting these aims, ESM, in conjunction with service users and others, proposes to continue to significantly contribute to the direct provision and development of the above services.

ESM will achieve this purpose by:

- Ensuring that the voice of service users is heard and heeded;
- Providing high quality housing management services with flexible individualised support packages;
- Offering a range of day service facilities, which can be accessed directly by the individual without recourse to formal referral and assessment procedures;
- Providing an independent and confidential Advice, Information and Support Service (AISS) for anyone requiring help with problems and difficulties which affect mental well being;
- Facilitating training and development opportunities for people, to enable them to rediscover old skills and learn new ones, thus building confidence and self-esteem;
- Promoting mental well being and improving public awareness of mental health issues and campaigning for the de-stigmatisation of mental illness;
- Being aware of local needs and demand for services and responding accordingly;
- Taking a proactive approach to partnership working, working collaboratively with service users, voluntary organisations and agencies.

EAST SUFFOLK MIND

TRUSTEES' REPORT FOR THE YEAR ENDED 31 MARCH 2007 (*continued*)

Corporate Goals

- To provide activities and services that sustain and improve the mental health of the community of East Suffolk and surrounding areas;
- To ensure that everyone is aware of what ESM is trying to achieve and is working toward the same end (i.e. the mental well being of our community);
- Helping everyone in the community to understand mental ill-health and to promote community involvement;
- To be perceived as an authoritative body; an organisation that people consult about mental health matters because it offers an alternative, expert and independent perspective;
- To provide management and personal support enabling people with mental health needs to live as independently as possible;
- To provide a range of services that promote recovery and develop informed choice, self esteem and self confidence;
- To ensure the organisation has sufficient cash reserves to maintain and/or increase the range of services provided;
- To support and develop motivated and satisfied workers with the right skills to do the job.

The charity's activities continue to be divided between Supported Housing and Day Services.

During this year East Suffolk Mind has successfully negotiated a strategic alliance with West Suffolk Mind, and the two organisations will now work in partnership as the Suffolk Mind Partnership to ensure that effective and equitable services can be offered across Suffolk, and to maximise the two organisations' ability to compete in a changing funding environment.

Supported Housing

The objectives of ESM's Supported Housing Services are:

- to provide housing and support that promotes the recovery of individuals to maximise their potential to live independently in the community;
- to ensure that the quality of services is maintained to the highest level possible through a regular system of review, evaluation and continuous improvement involving all stakeholders;
- to work in partnership with other providers, commissioners and people who use services in Suffolk,
- to promote good practice in planning, developing and managing supported housing.

ESM manages a range of Supported Housing and support to people living in their own homes; projects currently are based in the Ipswich, Felixstowe, Woodbridge and Kelsale areas. The support service provided is agreed with service users and recorded in a Support Agreement. For the most part, ESM's Supported Housing Services are aimed at helping people re-gain or develop the skills and confidence to move on to more independent housing. Housing support is provided to help people: maintain their tenancy, including help and advice with claiming benefits and managing money; develop the life skills to enable them to maintain and manage their domestic arrangements and housing; keep in touch with other mental health services. ESM provides social support to help people: develop networks of social support and maintain relationships; access local education, leisure and social activities; be aware of and to improve their mental health.

The following levels of support are offered: high, with 24 hour staff support available (one such project is registered with Suffolk County Council as a Registered Care Home); medium, with staff support normally provided between 6 and 15 hours per week for each tenant; low, where the level of support will vary according to the needs of the person receiving the service, but will normally average about 4 hours per week, per tenant; Community Support of about 3 hours per week, per client, to people living in their own homes.

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TRUSTEES' REPORT FOR THE YEAR ENDED 31 MARCH 2007 (*continued*)

With the exception of Montrose House in Ipswich, which caters only for tenants aged 50 upwards, the tenants in all projects range in age between 18 and 65. The expected length of stay is up to 2 years, with the exception of Montrose House and Pembroke Avenue, Woodbridge, which are long term, Larkhill in Felixstowe (medium term) and Corner House, Ipswich (short term up to 18 months). Quite often, as people regain their self-confidence, learn or re-learn the skills to live independently, they are able to move through from high to medium and then low support. Many people then progress sufficiently to enable them to live without support.

Day Services

The objectives of ESM Day Services are:

- to offer social support (specific to mental well being and recovery) in club and community resource settings;
- to continuously promote, develop, deliver and maintain a range of meaningful activities that build confidence and increase life choices leading to improved quality of life;
- to work in partnership with service users and other stakeholders to develop and maintain a range of therapeutic group work and complementary therapies enabling people to address and manage their mental health difficulties, ultimately leading to improved mental well being;
- to develop and improve the delivery of personal and group support to people who experience mental health difficulties and social isolation, retaining an evolutionary focus and promoting the principles of recovery, delivering Individual Care Packages;
- to promote, develop, deliver and maintain counselling services and other talking therapies in the primary care setting.

ESM Day Services embraces the Recovery Model for Mental Health, a holistic, enabling, person centred approach to mental distress, psycho-social problems, social/rural isolation, disadvantage and social exclusion. Activities have an underlying aim to aid recovery by building confidence and self esteem.

Community Resource Centres are currently located in Felixstowe, Ipswich, Saxmundham and Stowmarket. The Advice Information and Support Service (AISS) operates within these centres, providing inter alia access to volunteer counsellors and complementary therapies. ESM Day Services also currently operates two services under contract to East Suffolk Primary Care Trusts: The Primary Care Brief Counselling Service operates at 43 GP surgeries and health centres throughout east and central Suffolk, and Anxiety Management Group courses operate at all four resource centres and in some community venues. Access to Primary Care Counselling and Anxiety Management is gained only by GP referral. Both services operate a national evaluation system known as Clinical Outcomes Routine Evaluation (CORE).

Role and Contribution of Volunteers

ESM continues to rely on volunteer workers, without whose increasing contribution the service would be severely diminished. The volunteer work force complement was 63 volunteer workers, 39 in Day Services, 11 in Counselling Services, 1 in Housing Services, 2 at Head Office and 10 Trustees.

Achievements and Performance

The following details the key achievements and performance information across ESM during 2006/7.

- The review of the organisation's infrastructure and implementation of a sustainable and effective management structure.
- A shift in focus towards therapeutic, targeted group and individual interventions throughout ESM's Resource Centres. This included the introduction of groups focusing on healthy eating, smoking cessation and the expansion of IT facilities and groups available.
- Links with Community Adult Education and other education providers have been reinforced alongside the increased use of participant evaluation records. ESM also achieved City and Guilds accredited centre status.
- The AISS service continues to expand in the number of Service Users supported and signposted through this service.
- The change in management of the GP Counselling service was managed effectively, and further emphasis has been placed upon managing CORE.

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TRUSTEES' REPORT FOR THE YEAR ENDED 31 MARCH 2007 *(continued)*

- The organisation achieved the reaccreditation with Investors in People (IIP).
- As of 1st April 2007, East Suffolk Mind and West Suffolk Mind formed a strategic alliance under the banner of Suffolk Mind Partnership. This enables both parties to boast a portfolio of Suffolk Wide services which bodes well for our abilities to engage with future changes in the statutory services.
- More than 300 Service Users have participated in Anxiety Management courses.
- There has been considerable progress in ensuring that systems of monitoring and recording are capable of providing the level of information necessary to illustrate the significant value of the services provided and to meet Commissioners' and others' reporting requirements.
- Average occupancy across all housing projects of 90% was achieved.
- 86% of housing service users were satisfied with the support and levels of service provided.

Fundraising Performance

'Competitive Solutions' have largely been unsuccessful in securing additional funding, only some £14,000 having been obtained. The contract has therefore been terminated. However, the strategic partnership with West Suffolk Mind will provide us with a shared dedicated business development officer which should prove more fruitful.

ESM was successful in tendering for a new housing service in Cambridge. This project will become operational in October 2007 and is expected to generate additional income of £360,000 per annum.

Community fundraising continues to be unproductive but the Suffolk Mind Partnership (with ESM as lead partner) intends to acquire the lease of the former Mind shop in Bury St Edmunds, giving us the opportunity to sell donated items and service user produced goods direct to the general public. We are also hopeful of being able to provide therapies to the general public through the shop.

Investment Performance

All funds that were surplus to immediate requirements were transferred to a Base Plus Account with the Bank of Scotland with an average interest 4.83% rate of return. This was current until 1st September 2006 when the organisation switched its investment to a higher rate of investment return at an average interest rate of 5.04% with a Barclays Global Account. The investment interest rate therefore between the two accounts throughout the year averaged at 4.958%. The equity investment with the Charities Official Investment Fund (COIF) has generated £3,994 in dividends and has increased in value by £6,388.

The objective of the Barclays Global Investment fund account is to provide investors with security of capital and a high degree of liquidity.

Financial Report

Last year's report described actions being taken to aim for a balanced budget in 2006/07.

During the year, a number of actions have been taken to reduce costs e.g. by centralising accounting thereby enabling us to close all project individual bank accounts. With the support of Project Managers, the Senior Management Team are maintaining much stricter controls, and Financial Policies and Procedures are being updated to ensure that this continues.

We have, in previous years, reported our statutory funding and related expenditure as restricted. However, this funding is provided on a contractual basis, and therefore any surplus or deficit on the contract is entirely for East Suffolk Mind's account. In our view, therefore, the funding and related expenditure should more properly be described as unrestricted, and this presentation will be followed in this and future accounts.

The Statement of Financial Activities shows a total net surplus of £55,059, being an unrestricted surplus of £98,919 reduced by a restricted deficit of £43,860. Last year, both Housing and Day Services reported deficits, but this year Housing Services have reported an overall surplus of £74,743 and Day Services a deficit of £64,506 (many of these services are under funded). Operations have therefore contributed a net £10,237 surplus to the overall result.

EAST SUFFOLK MIND

TRUSTEES' REPORT FOR THE YEAR ENDED 31 MARCH 2007 *(continued)*

An analysis of funding is provided in Note 5 to the accounts. The increase in Suffolk County Council funding represents additional amounts for the Corner House housing project following its deregistration as a care home, and the decrease in PCC funding is made up of Anxiety Management funding accounted for last year, and a reduction in Counselling funding.

Reserves

ESM's reserves policy distinguishes between restricted and unrestricted funds, with restricted funds being accounted for in such a way as to identify the source of the funding.

Unrestricted funds comprise general reserves and designated funds, and are shown in the Balance Sheet, and further analysed in Note 17 of the accounts. As at 31 March 2007, total unrestricted reserves amounted to £1,195,789. We have carried out a review of the Furniture and Equipment (F&E) Replacement Reserves, and have arrived at a more realistic assessment of our requirements. As 32 Foundation Street is to be sold, we will no longer be replacing F&E, so a reserve is no longer required. We also have reduced the required reserves for Housing and Day Services, and at 31 March 2007, the Trustees have designated reserves of £213,251 for F&E.

We explained last year that we are aiming to build towards establishing a reserve of 6 months expenditure in order to protect service users from the adverse impact of future funding cuts or increased costs, and the Trustees have designated £597,538, for this purpose. The Trustees have also decided to designate £50,000 as a reserve for Organisational Restructuring, and a further £150,000 as a Development Fund to meet the costs of future major projects, in addition to an amount of £35,000 earmarked for ICT Developments (a bespoke contacts database incorporating Housing Services Rental system).

General Reserves of £150,000 are available to meet unforeseen costs.

It should be noted that, in the event of winding up ESM, the General and Designated Reserves would all be available to meet the costs thereof.

Investment Policy

East Suffolk Mind deposits cash into a Barclays Global Investment Fund; the purpose of which is to provide the charity with security of capital and a high degree of liquidity. Sufficient funds are maintained on current account to meet short term demands, with surplus funds being placed in the Barclays Global Investment account. ESM has an investment of just under £131,000 in the COIF Charities Investment Fund.

Future Plans

The following areas have been identified as key areas for development and focus during 2007/8.

- Further development of the partnership with West Suffolk Mind, strengthening service profiles across the county.
- Foundation Street premises were commercially marketed for sale in November 2006. A relocation strategy for Central and Resource Centre Services commenced on exchange of contracts with the potential buyer. It is anticipated that relocation will take place in late 2007.
- The review of Montrose House with negotiations about its place within the commissioning framework
- Completion of improvements to the physical environment provided for staff across all services.
- The full implementation of efficient and effective data recording and reporting systems for all services.
- Continued development of structure and evaluated interventions for Service Users and the implementation of effective service user involvement structures
- The development of group services across new environments both geographical and thematic, e.g. prisons, schools and places of work.
- The continued development of Individualised Care Package processes, and specialist mental health support services for target service users such as refugees, asylum seekers and other disenfranchised groups.

EAST SUFFOLK MIND

TRUSTEES' REPORT FOR THE YEAR ENDED 31 MARCH 2007 *(continued)*

- Identification and implementation of responses to enhance services for specific groups including those with dual diagnosis, and to ensure that an holistic response to service users' needs can be provided.
- The re-contracting of existing services through the pooled fund and supporting people.
- The establishment of new activities including the Cambridge Housing Project and the potential development of a partnership social enterprise project

Statement of Trustees' Responsibilities and Corporate Governance

The Trustees are responsible for their annual report, and for the preparation of financial statements for each financial year which give a true and fair view of the incoming resources and application of those resources of the Charity during the year; and of the state of affairs as at the end of the financial year. In preparing these financial statements the Trustees are required to:

- ensure that suitable accounting policies are established and applied consistently;
- make judgements and estimates which are reasonable and prudent;
- state whether the applicable accounting standards and statement of recommended accounting practice have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on a going concern basis unless it is inappropriate to presume that the Charity will continue in operation.

The Trustees have overall responsibility for ensuring that the Charity has appropriate systems and controls, financial and 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 financial statements comply with the Companies Act 1985. They are also responsible for safeguarding the assets of the Charity and for their proper application as required by charity law, and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities and to provide reasonable assurance that:

- the Charity is operating efficiently and effectively;
- all assets are safeguarded against unauthorised use or disposition and are properly applied;
- proper records are maintained and financial information used within the Charity, or for publication, is reliable;
- the Charity complies with relevant laws and regulations.

In so far as the trustees are aware:

- there is no relevant audit information of which the company's auditors are 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 auditors are aware of that information.

Auditors

A resolution will be proposed at the Annual General Meeting that Ensors be re-appointed as auditors to the charity for the ensuing year. Approved by the trustees on 24th July 2007 and signed on their behalf by:

Joanne Searle
(Chief Executive and Company Secretary)

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF EAST SUFFOLK MIND

YEAR ENDED 31 MARCH 2007

We have audited the financial statements of East Suffolk Mind for the year ended 31 March 2007 which comprise the Statement of Financial Activities, the Balance Sheet and the related notes. These financial statements have been prepared under the historical cost convention as modified by the valuation of investment assets at market value and the accounting policies set out therein.

This report is made solely to the company's members, as a body, in accordance with section 235 of the Companies Act 1985. Our audit work has been undertaken so that we might state to the 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 company, and the 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 Auditors

The responsibility of the trustees, who are also the directors for the purposes of company law, for preparing the Trustees' Report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) are set out in the Statement of Trustees' Responsibilities.

Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and International Standards on Auditing (UK and Ireland).

We report to you our opinion as to whether the financial statements give a true and fair view and are properly prepared in accordance with the Companies Act 1985. We also report to you whether in our opinion the information given in the Trustees' Report is consistent with the financial statements, if the company has not kept proper accounting records, if we have not received all the information and explanations we require for our audit, or if information specified by law regarding trustees' remuneration and other transactions is not disclosed.

We read the Trustees' Report and consider the implications for our report if we become aware of any apparent misstatements within it.

Basis of Opinion

We conducted our audit in accordance with International Standards on Auditing (UK and Ireland) issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the financial statements. It also includes an assessment of the significant estimates and judgements made by the trustees in the preparation of the financial statements, and of whether the accounting policies are appropriate to the company's circumstances, consistently applied and adequately disclosed.

We planned and performed our audit so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance as to whether the financial statements are free from material misstatement, whether caused by fraud or other irregularity or error. In forming our opinion we also evaluated the overall adequacy of the presentation of information in the financial statements.

Unqualified Opinion

In our opinion:

- the financial statements give a true and fair view, in accordance with United Kingdom Generally Accepted Accounting Practice, of the state of the company's affairs as at 31 March 2007, and of its incoming resources and application of resources, including the company's income and expenditure, for the year then ended, and have been properly prepared in accordance with the Companies Act 1985.
- Information given in the Trustees' Report is consistent with the Financial Statements.

Ensors
Chartered Accountants
& Registered Auditors
IPSWICH

EAST SUFFOLK MIND

STATEMENT OF FINANCIAL ACTIVITIES (Incorporating an Income and Expenditure Account)

FOR THE YEAR ENDED 31 MARCH 2007

	Note	Unrestricted Funds £	Restricted Funds £	Total Funds 2007 £	Total Funds 2006 £
INCOMING RESOURCES					
Incoming resources from generated funds:					
<i>Voluntary income</i>		30,728	5,251	35,979	21,743
<i>Activities for generating funds</i>					
Training and other income	4	67,058	26,968	94,026	62,068
Investment income	2	50,032	-	50,032	50,544
Incoming resources from charitable activities:					
Housing services	4	2,194,757	-	2,194,757	2,169,496
Day services	4	707,905	-	707,905	757,038
Total incoming resources		<u>3,050,480</u>	<u>32,219</u>	<u>3,082,699</u>	<u>3,060,889</u>
RESOURCES EXPENDED					
Costs of generating funds:					
Training and other costs	6	92,448	13,390	105,838	78,674
Charitable Activities:					
Housing services	6,7	2,120,014	-	2,120,014	2,235,634
Day services	6,7	769,722	2,689	772,411	831,659
Governance	7	35,765	-	35,765	34,743
Total resources expended	6,7	<u>3,017,949</u>	<u>16,079</u>	<u>3,034,028</u>	<u>3,180,710</u>
Net incoming/ (outgoing) resources before transfers		32,531	16,140	48,671	(119,821)
Transfers					
Gross transfers between funds	15,16	60,000	(60,000)	-	-
Net incoming/ (outgoing) resources before other recognised gains & losses		92,531	(43,860)	48,671	(119,821)
<i>Other recognised gains & losses:</i>					
Unrealised gains on investments	11	6,388	-	6,388	21,603
Net movements in funds		98,919	(43,860)	55,059	(98,218)
Balances brought forward		<u>1,096,870</u>	<u>120,486</u>	<u>1,217,356</u>	<u>1,315,574</u>
Balances carried forward		<u>1,195,789</u>	<u>76,626</u>	<u>1,272,415</u>	<u>1,217,356</u>

The charity has no recognised gains or losses other than the results for the year as set out above. All of the activities of the charity are classed as continuing.

The notes on pages 12 to 21 from part of these financial statements.

EAST SUFFOLK MIND

BALANCE SHEET

AS AT 31 MARCH 2007

	Note	2007 £	2006 £
Fixed Assets			
Tangible assets	10	595,035	592,900
Investments	11	130,823	124,435
		<u>725,858</u>	<u>717,335</u>
Current Assets			
Debtors	12	53,917	65,624
Short Term Investment – low risk	13	610,000	-
Cash at bank and short term deposits		10,182	567,168
		<u>674,099</u>	<u>632,792</u>
Creditors Amounts falling due within one year	14	<u>(127,542)</u>	<u>(132,771)</u>
Net Current assets		<u>546,557</u>	<u>500,021</u>
Net Assets		<u><u>1,272,415</u></u>	<u><u>1,217,356</u></u>

RESERVES AND FUNDS

Unrestricted funds			
- General reserve	17	150,000	559,018
- Designated reserve	17	1,045,789	537,852
		<u>1,195,789</u>	<u>1,096,870</u>
Restricted funds			
- Revenue	16	51,626	35,486
- Capital	16	25,000	85,000
		<u>76,626</u>	<u>120,486</u>
Total charity funds		<u><u>1,272,415</u></u>	<u><u>1,217,356</u></u>

These financial statements were approved by the Board of Trustees on 24th July 2007 and signed on their behalf by:

John Cresswell
Treasurer

The notes on pages 12 to 21 form part of these financial statements

EAST SUFFOLK MIND

NOTES TO THE ACCOUNTS

FOR THE YEAR ENDED 31 MARCH 2007

1. ACCOUNTING POLICIES

The financial statements have been prepared under the historical cost convention as modified by the inclusion of investments at market value and in accordance with applicable accounting standards. In preparing the financial statements the charity complies with the Statement of Recommended Practice "Accounting and Reporting by Charities" (SORP) issued 4th March 2005 and the Companies Act 1985.

Consolidation

The financial statements do not consolidate the results of the charity and its wholly-owned subsidiary East Suffolk Mind (Trading) Limited. East Suffolk Mind (Trading) Limited is a dormant company. Therefore, under the provision of section 248 of the Companies Act 1985 the company is exempt from preparing consolidated accounts and has not done so.

Incoming resources

Voluntary income is included in the Statement of Financial Activities (SOFA) when the Charity is legally entitled to the income and the amount can be quantified with reasonable certainty. For legacies, entitlement is established once the Charity has been notified of an impending distribution.

Grant income is included when the related conditions for the grant have been met.

Donations are credited to the revenue account when received. The charity received the benefit of work carried out by volunteers but no monetary value is placed upon this in the accounts.

All other income is accounted for on a receivable basis.

Resources expended

All resources expended are accounted for on an accruals basis. Direct charitable expenditure includes the direct costs of the activities and depreciation on related assets. Where such costs relate to more than one functional cost category, they have been apportioned as a percentage of staff employed on the relevant service.

Governance costs include those incurred in the governance of the Charity and its assets and are primarily associated with constitutional and statutory requirements.

Tangible fixed assets

All long-lasting assets (costing more than £3,000) for the Charity's own use are capitalised. Properties are valued at cost, or at open market valuation at the time of receipt when acquired without consideration, less the sale proceeds of any part-disposals plus expenditure of a capital nature.

Depreciation

Depreciation is provided to write off the cost, less estimated residual values, of all fixed assets on a straight line basis over their expected useful lives at the following annual rates:

Freehold property	No depreciation is provided where, in the opinion of the Trustees, the estimated residual value is in excess of the net book value.
Long leasehold property	over 5 years
Equipment and furniture	over 3 years
Motor vehicles	over 7 years

Investments

Investments are shown in the balance sheet at market value. Surpluses or deficits on valuation and sales of investments are credited or charged to the SOFA.

EAST SUFFOLK MIND

NOTES TO THE ACCOUNTS

FOR THE YEAR ENDED 31 MARCH 2007

1. ACCOUNTING POLICIES *(continued)*

Operating Leases

Rentals paid under operating leases are charged to the SOFA on a straight line basis over the lease term.

Unrestricted general funds

The charity maintains a general unrestricted fund which represents funds which are expendable at the discretion of the trustees in furtherance of the objects of the charity. Such funds may be held in order to finance both working capital and capital investment.

Designated funds

The policy for the allocation of funds to designated funds has been reviewed and previously restricted funds have been re-allocated to designated funds, where those funds have already been spent, and the balance remaining is for future depreciation.

Restricted funds

Restricted funds have been provided to the charity for particular purposes, and it is the policy of the board of trustees to carefully monitor the application of those funds in accordance with the restrictions placed upon them.

Transfers between funds

There is no formal policy of transfers between funds. Any proposed transfer between funds would be considered by Trustees on the particular circumstances pertaining at that time.

Pension costs

The company contributes to individual personal pension schemes, the company's stakeholder pension scheme and the multi-employer pension scheme of the National Health Service (for those staff members previously employed by the National Health Service). Details of these contributions are given in Note 19.

EAST SUFFOLK MIND

NOTES TO THE ACCOUNTS

FOR THE YEAR ENDED 31 MARCH 2007

(continued)

2. INVESTMENT INCOME

	Unrestricted	Restricted	Total 2007	Total 2006
	£	£	£	£
Interest received	12,871	-	12,871	46,775
Short Term Investment – Low Risk	33,167	-	33,167	-
COIF Charities investments	3,994	-	3,994	3,769
	<u>50,032</u>	<u>-</u>	<u>50,032</u>	<u>50,544</u>

3. NET INCOMING RESOURCES FOR THE YEAR

This is stated after charging:

	£	£
Interest payable:		
- bank loans and overdrafts	4,331	3,738
Depreciation	67,670	63,030
Payments under operating leases:		
- land and buildings	11,162	11,162
Auditors' remuneration:		
- audit	14,312	13,625
- other services	298	14,059
	<u>298</u>	<u>14,059</u>

4. ANALYSIS OF INCOMING RESOURCES

	Fundraising	Training	Other	Total 2007	Total 2006
	£	£	£	£	£
Incoming resources from generated funds:					
Fundraising activities	17,527	-	-	17,527	25,497
Training and other income	-	40,090	36,409	76,499	36,571
	<u>17,527</u>	<u>40,090</u>	<u>36,409</u>	<u>94,026</u>	<u>62,068</u>
	Rent	Funding (Note 5)	Other	Total 2007	Total 2006
	£	£	£	£	£
Incoming resources from charitable activities:					
Housing activities	491,384	1,695,038	8,335	2,194,757	2,169,496
Day services	-	673,847	34,058	707,905	757,038
	<u>491,384</u>	<u>2,368,885</u>	<u>42,393</u>	<u>2,902,662</u>	<u>2,926,534</u>

EAST SUFFOLK MIND

NOTES TO THE ACCOUNTS

FOR THE YEAR ENDED 31 MARCH 2007

(continued)

5. FUNDING

	2007 £	2006 £
Public sector funding		
Suffolk County Council	767,847	715,051
Primary Care Trust	966,934	1,011,138
Supporting People	634,104	638,389
	<hr/>	<hr/>
Total Funding Income	2,368,885	2,364,578

6. ANALYSIS OF TOTAL RESOURCES EXPENDED

	Staff Payroll Costs	Training	Other	Depreciation	Total 2007	Total 2006
	£	£	£	£	£	£
Cost of generating funds:						
Fundraising costs	19,316	-	28,079	-	47,395	23,174
Training and other costs	23,120	20,246	15,077	-	58,443	55,500
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
	42,436	20,246	43,156	-	105,838	78,674
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
Costs of charitable activities:			(Note 7)			
Housing services	1,640,454	13,309	414,662	51,589	2,120,014	2,235,634
Day services	608,118	4,030	144,182	16,081	772,411	831,659
Governance	-	-	35,765	-	35,765	34,743
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
	2,248,572	17,339	594,609	67,670	2,928,190	3,102,036
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
Total resources expended	2,291,008	37,585	637,765	67,670	3,034,028	3,180,710

EAST SUFFOLK MIND

NOTES TO THE ACCOUNTS

FOR THE YEAR ENDED 31 MARCH 2007

(continued)

7. ANALYSIS OF OTHER COSTS WITHIN COSTS OF CHARITABLE ACTIVITIES

	Other Staff Costs	Maintenance, Furniture & Equipment	Rent, Rates & Utilities	User Related Costs	General Administration	Total 2007	Total 2006
	£	£	£	£	£	£	£
Housing	40,364	66,888	199,121	39,191	69,098	414,662	519,573
Day services	21,107	24,874	34,560	21,863	41,778	144,182	143,172
Governance	12,156	-	-	-	23,609	35,765	34,743
	<u>73,627</u>	<u>91,762</u>	<u>233,681</u>	<u>61,054</u>	<u>134,485</u>	<u>594,609</u>	<u>697,488</u>

Other staff costs include agency staff, travel, recruitment and all other staff expenses.

Maintenance, furniture and equipment includes all furniture and equipment costs, servicing and cleaning expenditure.

Rent, rates and utilities include heat/ light, water, telephone, rent, rates and maintenance charges from Housing Associations.

User related costs include catering, residents' welfare, activities expenses and vehicle running costs.

General administration includes all of the following expenditure items:- printing, postage, stationery, professional fees, insurance, service development, IT costs and bank charges.

Governance other staff costs comprise of CEO succession recruitment costs together with any remuneration associated with staff grievance procedures. General administration costs for Governance comprise of consultancy, board development, professional and Companies House Registration fees.

8. EMPLOYEES

Staff costs consist of:

	2007 £	2006 £
Wages and salaries	1,994,055	2,083,653
Redundancies	42,839	-
Social security costs	175,558	195,353
Pension costs	<u>78,556</u>	<u>92,657</u>
	<u>2,291,008</u>	<u>2,371,663</u>

The average monthly number of employees on a full time equivalent basis during the year was made up as follows:

Housing services	58	61
Day services	18	20
Senior management and central staff	<u>12</u>	<u>12</u>
	<u>88</u>	<u>93</u>

No employees received salaries of more than £60,000 per annum (2006: None).

The charity received the services from an average of 63 volunteers during the year (2006: 66).

9. TRUSTEES' REMUNERATION

None of the members of the Board of Trustees received any remuneration during this year or last year. During the year, 2 Trustees (2006: 2) received reimbursements of personal travel and subsistence expenditure, amounting to £561 (2006: £375).

Indemnity insurance is carried for the Trustees as part of the Charity's overall insurance cover.

EAST SUFFOLK MIND

NOTES TO THE ACCOUNTS

FOR THE YEAR ENDED 31 MARCH 2007

(continued)

10. TANGIBLE FIXED ASSETS

	Freehold Property £	Long Leasehold Property £	Equipment Furniture £	Motor Vehicles £	Totals £
COSTS					
At 1 April 2006	578,786	86,995	140,503	47,171	853,455
Additions	-	69,805	-	-	69,805
Disposals	<u>-</u>	<u>-</u>	<u>(31,169)</u>	<u>-</u>	<u>(31,169)</u>
At 31 March 2007	<u>578,786</u>	<u>156,800</u>	<u>109,334</u>	<u>47,171</u>	<u>892,091</u>
DEPRECIATION					
At 1 April 2006	106,153	52,233	73,939	28,230	260,555
Disposals	-	-	(31,169)	-	(31,169)
Charge for year	<u>-</u>	<u>22,781</u>	<u>38,174</u>	<u>6,715</u>	<u>67,670</u>
At 31 March 2007	<u>106,153</u>	<u>75,014</u>	<u>80,944</u>	<u>34,945</u>	<u>297,056</u>
NET BOOK VALUE					
At 31 March 2007	<u>472,633</u>	<u>81,786</u>	<u>28,390</u>	<u>12,226</u>	<u>595,035</u>
At 31 March 2006	<u>472,633</u>	<u>34,762</u>	<u>66,564</u>	<u>18,941</u>	<u>592,900</u>

EAST SUFFOLK MIND

NOTES TO THE ACCOUNTS

FOR THE YEAR ENDED 31 MARCH 2007

(continued)

11. FIXED ASSET INVESTMENTS

	COIF Charities Investment Fund £	Subsidiary Company (dormant) £	Total £
Market value at 1 April 2006	124,434	1	124,435
Net unrealised investments gain	<u>6,388</u>	<u>-</u>	<u>6,388</u>
Market value at 31 March 2007	<u>130,822</u>	<u>1</u>	<u>130,823</u>

The company owns 100% of the issued share capital of East Suffolk Mind (Trading) Limited. At 31 March 2007 the aggregate capital and reserves of East Suffolk Mind (Trading) Limited was £1 and the profit and loss for the year was £nil.

Under the provision of section 248 of the Companies Act 1985 the company is exempt from preparing consolidated accounts and has not done so. Therefore, the accounts show information about the company as an individual entity.

12. DEBTORS

	2007 £	2006 £
Trade debtors	24,043	41,413
Prepayments and other debtors	<u>29,874</u>	<u>24,211</u>
	<u>53,917</u>	<u>65,624</u>

13. SHORT TERM INVESTMENTS

	2007 £	2006 £
Barclays Global Investment	<u>610,000</u>	<u>-</u>

14. CREDITORS: Amounts falling due Within one year

	2007 £	2006 £
Trade creditors	14,150	34,990
Other creditors, deferred income and accruals	<u>113,392</u>	<u>97,781</u>
	<u>127,542</u>	<u>132,771</u>

15. ANALYSIS OF GROUP NET ASSETS BETWEEN FUNDS

	Unrestricted Funds £	Restricted Funds £	Total Funds 2007 £	Total Funds 2006 £
Fund balances at 31 March 2007 are represented by:				
Tangible fixed assets	595,035	-	595,035	592,900
Investments	130,823	-	130,823	124,435
Net current assets	469,931	76,626	546,557	500,021
	<u>1,195,789</u>	<u>76,626</u>	<u>1,272,415</u>	<u>1,217,356</u>
Total net assets	<u>1,195,789</u>	<u>76,626</u>	<u>1,272,415</u>	<u>1,217,356</u>

EAST SUFFOLK MIND

NOTES TO THE ACCOUNTS

FOR THE YEAR ENDED 31 MARCH 2007

(continued)

16. RESTRICTED FUNDS

	Balance 1 April 2006 £	Incoming Resources £	Outgoing Resources £	Transfers £	Balance at 31 March 2007 £
Restricted revenue:					
Housing services	-	-	-	-	-
Day services	-	-	(2,689)	2,689	-
General	-	26,468	(13,390)	-	13,078
MSM pension contingency	25,000	-	-	-	25,000
Legacy	10,486	500	-	-	10,986
Restricted Donations	-	5,251	-	(2,689)	2,562
Capital works to housing:					
Gippeswyk	25,000	-	-	-	25,000
Eastwood	30,000	-	-	(30,000)	-
Corner House	30,000	-	-	(30,000)	-
Totals	120,486	32,219	(16,079)	(60,000)	76,626

Restricted revenue funds

The balance of £13,078 under the general heading relates to funding received in the year for training purposes. This balance is to be expended in 07/08.

The pension contingency arose on the takeover of the Mid Suffolk Mind charity to cover future payments of pension liabilities.

The legacy relates to funds restricted for the purpose of funding residents' activities at the Cornerhouse. The only movements in the year have been interest received on the fund balance.

Capital works to Gippeswyk did not commence until after the year end. It is proposed that improvements are due to be completed by the end of July 2007. Capital works to both Eastwood and Corner House were completed in the financial year.

EAST SUFFOLK MIND

NOTES TO THE ACCOUNTS

FOR THE YEAR ENDED 31 MARCH 2007

(continued)

17. UNRESTRICTED FUNDS

	Balance 1 April 2006 £	Incoming Resources £	Outgoing Resources £	Transfers £	Balance at 31 March 2007 £
General reserve	559,018	3,056,868	(3,017,949)	(447,937)	150,000
Designated reserves:					
Service Income Protection Reserve	-	-	-	597,538	597,538
Organisation Restructure	-	-	-	50,000	50,000
Development Fund	-	-	-	150,000	150,000
Furniture & Equipment Replacement:					
Housing	251,815	-	-	(88,564)	163,251
Day Services	108,184	-	-	(58,184)	50,000
Head Office	48,895	-	-	(48,895)	-
Capital:					
Larkhill Way	7,894	-	-	(7,894)	-
Burrell Road	6,071	-	-	(6,071)	-
Fixed Asset Appeal Funds (including the Willows)	88,629	-	-	(88,629)	-
Stowmarket	6,364	-	-	(6,364)	-
ICT strategy	20,000	-	-	15,000	35,000
Totals	1,096,870	3,056,868	(3,017,949)	60,000	1,195,789

The designated furniture and equipment (F&E) reserves are amounts that have been set aside for future replacement of furniture and equipment and repairs/ maintenance to the various buildings from which the charity operates. Reserves for Foundation Street premises have been removed pending the sale of the buildings.

The designated capital reserves have arisen from the transfer of restricted capital funds that have been spent on the required items over recent years and for depreciation in future years. The Stowmarket reserve has now been spent on developments at the project.

For an explanation of other designated reserves, see the "reserves" section of the Trustees Report.

18. COMMITMENTS UNDER OPERATING LEASES

As at 31 March 2007, the company had annual commitments under non-cancellable operating leases as set out below:

	2007 Land & Buildings £	2006 Land & Buildings £	2007 Other Items £	2006 Other Items £
Operating leases which expire:				
Within 1 year	-	-	-	197
Within 1 to 2 years	-	-	1,006	-
Within 2 to 5 years	11,162	-	3,147	4,153
After more than 5 years	-	11,162	-	-
	11,162	11,162	4,153	4,350

EAST SUFFOLK MIND

NOTES TO THE ACCOUNTS

FOR THE YEAR ENDED 31 MARCH 2007

(continued)

19. PENSION

The company contributes to individual personal pension schemes and the company's stakeholder pension scheme; the assets of which are held in independently administered funds.

Total contributions to these pension schemes during the year are disclosed in note 8.

The company also participates in a multi-employer pension scheme for staff who were previously employed by the National Health Service. The pension liability is the responsibility of the National Health Service Pension Scheme. As a result it is not possible to identify the assets and liabilities of the scheme which are attributable to the company. At the year end, contributions totalling £10,083 (2006: £nil) were outstanding.