

Charity Commissioners Copy

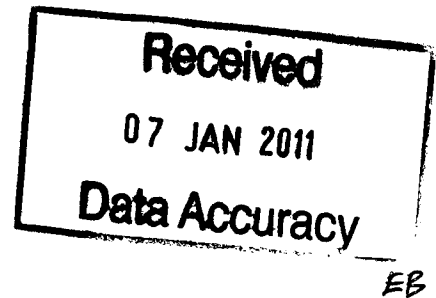
REGISTERED NUMBER  
3530898 England and Wales

1069373

31 MAR 10

**KETTERING ASSOCIATION FOR MENTAL HEALTH**

(A COMPANY LIMITED BY GUARANTEE)



**REPORT AND ACCOUNTS**

**31ST MARCH 2010**

**SMITH, HODGE & BAXTER**

Chartered Accountants

**KETTERING ASSOCIATION FOR MENTAL HEALTH**

**REPORT AND ACCOUNTS - 31ST MARCH 2010**

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**KETTERING ASSOCIATION FOR MENTAL HEALTH****REFERENCE AND ADMINISTRATIVE DETAILS**

**CHARITY NAME** Kettering Association for Mental Health  
(Also known as Kettering Mind)

**COMPANY REGISTRATION NUMBER** 3530898 England and Wales

**CHARITY REGISTRATION NUMBER** 1069373

**REGISTERED OFFICE AND  
OPERATION ADDRESS** 49 - 51 Russell Street  
Kettering, Northants, NN16 0EN

**EXECUTIVE COMMITTEE**

During the year, the members of the Executive Committee were as follows:-

Martin James (Chairman)	Jillian Oldfield (Resigned 10th October 2009)
Martin Moloney (Vice Chairman)	Mike Travers (Resigned 23rd September 2009)
David Green (Treasurer)	Richard Elliott
Jean Carthew	Jeffery Thompson
Philip Douglas	Barbara Moloney (Appointed 23rd September 2009)
Sue Watts	

**COMPANY SECRETARY** Philip Douglas

**MANAGER** Gill Laughton

**AUDITORS** Smith, Hodge & Baxter  
Thorpe House  
93 Headlands, Kettering,  
Northants, NN15 6BL

**BANKERS** Yorkshire Bank, Kettering

**SOLICITORS** Wilson Browne  
Meadow Road, Kettering,  
Northants, NN16 8TN

**INVESTMENT MANAGERS** Quilter  
20 Bank Street  
Canary Wharf  
London E14 4AD

## KETTERING ASSOCIATION FOR MENTAL HEALTH

### REPORT OF THE EXECUTIVE COMMITTEE

The Executive Committee presents its report and audited accounts for the year ended 31st March 2010.

### STRUCTURE, GOVERNANCE AND MANAGEMENT

#### Governing Document

The Association is constituted as a company, limited by guarantee, not having a share capital. It was incorporated on 19th March 1998 as part of the process of devolution from the North Northamptonshire Association for Mental Health. The Association is also a registered charity.

The governing instrument of the Association is the Memorandum and Articles of Association adopted on incorporation. In accordance with the Memorandum and Articles of Association, the first members of the Executive Committee were the subscribers to the Memorandum of Association and such persons as had agreed to become members of the Executive Committee at the date of incorporation of the association.

Members of the charitable company guarantee to contribute an amount not exceeding £1 to the assets of the charitable company in the event of a winding up. The total number of such guarantees at 31st March 2010 was 141 (2009: 133).

#### Recruitment and Appointment of Executive Committee

The members of the Executive Committee are directors for the purpose of company law and Trustees for the purpose of charity law.

The number of members of the Executive Committee shall not be less than four nor more than 12. At the company Annual General Meeting, one third of the Executive Committee members or the nearest whole number to one third, shall retire from office and shall be eligible for re-election.

The Executive Committee may, from time to time, and at any time, appoint any member of the Association as a member of the Executive Committee. Any Executive Committee member so appointed shall hold office only until the next following Annual General Meeting and shall then be eligible for re-election, but shall not be taken into account in determining the Executive Committee members who are to retire by rotation at the Annual General Meeting.

The Executive Committee seeks to ensure that the views and needs of the service users are represented on the committee. In order to achieve this two members, who are also service users, are invited to join the Executive Committee.

At the Annual General Meeting, Richard Elliott, Jean Carthew and Philip Douglas will retire by rotation and, being eligible, will offer themselves for re-election.

#### Trustee Induction and Training

Most Trustees are already familiar with the practical work of the charity and get involved with special events throughout the year, eg question and answer sessions with members, award ceremonies and art exhibitions etc.

## KETTERING ASSOCIATION FOR MENTAL HEALTH

### REPORT OF THE EXECUTIVE COMMITTEE

#### STRUCTURE, GOVERNANCE AND MANAGEMENT (Cont)

##### Trustee Induction and Training (Cont)

All new Trustees must fill in an application form and take part in an induction programme covering the following areas:-

- Organisational structure;
- Committee member role/post;
- Committee person specification;
- Copy of previous years accounts;
- Copy of previous executive minutes;
- The Quality Management in Mind standard for governance;
- The Clear Roles and Responsibilities booklet;
- Copy of the Memorandum and Articles of Association;
- Introduction to Kettering Mind's policies and procedures;
- Meet with a member of the management team for organisational and project overview;
- Opportunity to meet with staff, volunteers and members;
- Health and safety booklet;
- Conflict of interest policy;
- Confidentiality policy.

New Trustees are always guided to the Charity Commission website. All Trustees have the opportunity to attend training sessions that are relevant to their duties and also to take part in any in-house mental health training.

##### Risk Management

The Executive Committee has considered the major risks to which the charity is exposed and are satisfied that strategies have been implemented and systems established to mitigate those risks. External risks to funding have led to the development of the reserves policy. Internal risks are minimised by the implementation of internal control procedures and a planned programme of training. These procedures are to be periodically reviewed.

##### Organisational Structure

The directors of the company form the Executive Committee who meet on a monthly basis.

The day to day running of the organisation is delegated to the Manager who is assisted by a management team, administration staff, the centre based team and the community team.

The company is responsible for the preparation of its own budgets to form the basis of the applications to Northamptonshire County Council Social Services and Northamptonshire Teaching Primary Care Trust for the primary grants to provide services set out in the contracts.

The company can undertake other grant-aided services in its own area, by application for other funding and can also launch appeals.

## KETTERING ASSOCIATION FOR MENTAL HEALTH

### REPORT OF THE EXECUTIVE COMMITTEE

#### OBJECTIVES AND ACTIVITIES

##### Mission Statement

**Our vision is of a society that promotes and protects good mental health for all, and that treats people with experience of mental distress fairly, positively and with respect.**

The needs and experiences of people with mental distress drive our work and we make sure their voice is heard by those who influence change.

Our independence gives us the freedom to stand up and speak out on the real issues that affect daily lives.

We provide information and support, campaign to improve policy and attitudes and, in partnership with National Mind and local Mind associations, develop local services.

We do all this to make it possible for people, who experience mental distress, to live full lives and play their full part in society.

We are working to:

Change society: Mind influences and changes public attitudes and Government policy and practice towards people with mental distress.

Provide support: Mind helps people to take control over their mental health. We do this to make it possible for people who experience mental distress to live full lives, and play their full part in society.

Give people a voice: The needs and experiences of people with mental distress drive our work and we make sure their voice is heard. We will champion the right of people with direct experience of mental distress to have a voice and be heard.

Create mentally healthy communities: Mind works with the local Mind association network and other partners to improve the delivery of services for people experiencing mental distress.

##### Purposes and Aims

Kettering Mind's purposes and aims are to:-

- Benefit the public by promoting mental health and wellbeing;
- Support people who experience mental health difficulties;
- Promote recovery and enhance the quality of people's lives.

##### Ensuring our work delivers our aims

We introduced a three year planner to incorporate the review of our aims, objectives and activities. The three year planner is a tool used to look at the success of each key activity and the benefits they have brought to those groups of people we set out to support.

The Trustees have considered how planned activities will contribute to the aims and objectives of the Charity and these are reflected in the Strategic Plan 2010 - 2013.

## KETTERING ASSOCIATION FOR MENTAL HEALTH

### REPORT OF THE EXECUTIVE COMMITTEE

#### OBJECTIVES AND ACTIVITIES (Cont)

##### The focus of our work

The main objectives for the year and the strategies used to meet those objectives were as follows:-

##### 1. Promotion – Specific objectives

- Maximise the earning potential of the building to the local community.
- Further improve the community access to the Mixing Bowl.
- Broaden and improve the promotional materials.
- Develop the Public Relations group (PR).
- Promote and market Kettering Mind's services widely and effectively.
- Develop and maximise the potential for Kettering Mind's website.

##### 2. Funding – Specific objectives

- Increase income from community fundraising.
- Position the organisation to remain competitive as funding streams change.
- Maximise the opportunities of personal budgets.
- Secure statutory contracts for service provision.
- Refer to Fundraising Strategy.

##### 3. Quality – Specific objectives

- Match or exceed performance in all external quality assessments.
- Maximise access to services for people from under-represented groups.

##### 4. Involvement – Specific objectives

- Maintain and strengthen internal and external communications.
- Ensure ICT equipment meets the needs of all across the organisation so policies and management information can be accessed.
- Increase the roles of service users in staff induction, training and recruitment.
- Further develop service user involvement in community projects.
- Develop a self sufficient Peer Support Service.

##### 5. Evidence – Specific objectives

- Ensure that robust, efficient approaches to outcome measurement and reporting are in place across the organisation.
- Market Kettering Mind's services with a focus on value for money and the benefits produced.
- Ensure the portfolio of evidence reflects the work Kettering Mind achieves.

##### How our activities deliver public benefit

We have referred to the guidance contained in the Charity Commission's general guidance on public benefit when reviewing our aims and objectives and in planning our future activities.

Our main activities, and who we try to support, are described below. All our charitable activities focus on the prevention and support of people who experience mental health difficulties and the promotion of health and wellbeing.

## KETTERING ASSOCIATION FOR MENTAL HEALTH

### REPORT OF THE EXECUTIVE COMMITTEE

#### ACHIEVEMENTS AND PERFORMANCE

##### Who used and benefited from our services?

Over the past year we received 606 referrals for Kettering Mind's services and at the end of March 2010 there were 487 people who took up a service with us. Some people were referred for two or more services. However the impact of our work goes far beyond those we help directly and includes reducing the distress suffered by the families and friends of people who access our services.

Equal access to Mind is an important issue for us and over the year the Community Access Worker developed links with black and minority ethnic groups, sent out questionnaires and, from this work, next year we will work in partnership with the Dostiyo Mental Health Project for Asian Women and Girls, supporting their wellbeing café based at Kettering Mind.

##### The Resource Centre

The resource centre is based in the Russell Street premises and supports individuals to develop their own recovery plan. Individuals are able to participate in the activities and take on roles in the running of the centre.

As Trustees we needed to think about how to leave ourselves in the market for future funding opportunities, whilst progressively developing Mind yet retaining our core values.

The Mixing Bowl is now well established as a modern bright welcoming environment and is open as a community resource for mental health information, coffee and home baked cakes.

Peer Support is a drop-in for those people already referred to Kettering Mind and activities are very much decided on what people want to do on the day.

The value of the resource centre as a whole to people's lives is unquantifiable, and is subjective to each individual. Individuals can socialise and support each other, learn and acquire new skills/strategies to help cope with daily living, and the staff also provide outreach support as and when needed.

Mental illness can seriously affect people's ability to cope on a daily basis. The disruption to life caused by mental illness and the stigma and discrimination experienced often destroys a person's self esteem, confidence and life skills. The resource centre provides a safe, supportive and cheerful environment for people to recover.

Last year Kettering Mind supported people through the resource centre. The mainstay of our service is the volunteers. Although we do not record statistics, we estimate that 2,964 hours were donated based on 19 volunteers offering 3 hours each a week. The resource centre is now well established offering new opportunities for people to plan their own recovery in a way that suits them, and helps them maintain stability in their mental health. Kettering Mind actively encourages service users to become volunteers in Mind and other organisations as a possible first step to building up confidence/self esteem and securing paid employment.

Kettering Mind has been assured resource centre funding "Community Access" funding until December 2010. Beyond this date we are not aware if, or how, funding will continue. As people begin to get awarded personal budgets, we anticipate grant funding will be seriously reduced.

## KETTERING ASSOCIATION FOR MENTAL HEALTH

### REPORT OF THE EXECUTIVE COMMITTEE

#### ACHIEVEMENTS AND PERFORMANCE (Cont)

##### Community

Kettering Mind believes in supporting individuals to maintain their independence and prevent unnecessary hospital admissions, and this can happen through Kettering Mind's community services. We have 25 beds split over five projects in Kettering and we offer a floating support scheme. The projects are funded by various sources and the support is tailored to each individual's needs.

##### Accommodation

The Avondale Project has 6 flats which were built by Bedfordshire Pilgrims Housing Association. The flats provide a home for life, and the support made available by the charity is funded by Supporting People and Care Management programmes.

The Carrington Street Project has 7 rooms and is owned by Kettering Borough Council. English Churches Housing Association remains the leaseholder. Residents can stay up to two years and then move on to alternative accommodation with the skills and confidence they have acquired to allow them to live as autonomous adults. The charity encourages individuals to gain the necessary skills to live independently. The project is funded by Supporting People Programme.

The Highfield Project has 5 flats and is owned by Kettering Borough Council. The charity, which is also the leaseholder, offers support to the residents to help them maintain their tenancies. The flats are people's homes for life if they choose to stay. The project is funded by Supporting People Programme.

Warkton House has 3 rooms and is owned by Kettering Borough Council with the charity as leaseholder. Warkton House can be a home for life if residents choose to stay. The project is funded by the Supporting People Programme.

Clarkson House is a property which has 4 rooms and is owned and managed by Kettering Mind. Clarkson can be a home for life if residents choose to stay. The project is jointly funded by the charity and the Supporting People Programme.

##### Community Support

The floating support service is based on people's housing support needs. The scheme is flexible and enables individuals to make use of this service as and when their mental health affects their ability to cope with day to day tasks. The workers visit people in their own homes and work towards the individual's own recovery and support plan. This includes helping people access community facilities and services to enhance the quality of their everyday lives.

Kettering Mind has the Certificate of Accreditation from Supporting People (NCC) for the services we provide for our accommodation and floating support for people with mental health problems, and continually review standards.

Last year Kettering Mind supported 90 people through accommodation and floating support.

## KETTERING ASSOCIATION FOR MENTAL HEALTH

### REPORT OF THE EXECUTIVE COMMITTEE

#### ACHIEVEMENTS AND PERFORMANCE (Cont)

##### Community Support (Cont)

Kettering Mind's sub-contract arrangement with Northants Healthcare Trust to deliver the Kettering floating support service is until August 2010.

Avondale, Clarkson, Warkton and Highfield contracts were amalgamated into Kettering Mind Supported Accommodation contract.

##### Individual Support Service

Kettering Mind has on average 9 volunteer counsellors who offer one to one sessions to individuals. We receive self-referrals and agency referrals, including GP referrals.

Last year the volunteers supported 83 people and between them facilitated over 498 hourly sessions.

#### FINANCIAL REVIEW

Total income for the year was £716,587 (2009: £677,280). Of the total £470,645 (2009: £420,453) was identified as restricted fund income. The increase in income is largely attributable to the increase in grants and contract income from charitable activities, as detailed in note 4 to the accounts.

The net incoming resources for the year amounted to £77,964 (2009: £45,322) but of this £97,021 (2009: £33,570) relates to restricted fund projects. Unrestricted reserves have increased by £144,474 (2009: Decreased by £55,521) after transfers between funds and now stand at £1,180,146 (2009: £1,035,672).

##### Principal Funding Sources

During the year the principal funding sources of the charity continued to be by way of grant and contract income from Northamptonshire County Council and Northamptonshire Teaching Primary Care Trust.

##### Investment Policy

The memorandum allows the investment of monies of the Association not immediately required for its purposes in or upon such investments, securities or property as may be thought fit, subject nevertheless to such conditions and such consents as may be imposed or required by law. All future investments will follow National Mind investment guidelines, avoiding investment in companies manufacturing pharmaceuticals. Also the Executive Committee will ensure that social, environmental and ethical concerns will be considered when making future investments.

The Executive Committee instructed the investment brokers, Quilter, to invest the charity's funds of £450,000 in a mixed portfolio which would maximise growth with a low risk, any income from these holdings being retained for reinvestment in the portfolio.

## KETTERING ASSOCIATION FOR MENTAL HEALTH

### REPORT OF THE EXECUTIVE COMMITTEE

#### FINANCIAL REVIEW (Cont)

##### Investment Policy (Cont)

As a result of this policy, the market value of the portfolio, including cash on deposit with the broker, and after the reinvestment of income, increased to £457,965 at 31st March 2010, an increase of almost 2% compared to the value initially invested.

The performance of the portfolio is clearly improving on the poor performance experienced in the year ended 31st March 2009 which was caused by the general economic downturn and deterioration in market conditions during that year.

##### Reserves Policy

The charity's policy is to maintain general reserves to give financial stability to the charity and to its activities.

In the course of the last five years general reserves totalling £400,000 have been earmarked for long-term investment, and classified as fixed assets accordingly. The value of these investments is now £409,100 and their purpose, in the current climate of local authority cut backs and budgetary pressures, is to provide long-term protection against a decline or interruption of future income. The charity is now operating in an environment of financial uncertainty, characterised by mental health policy changes, more competitive tendering, potential changes in the tendering process and the award of shorter term contracts. The investment of general reserves is planned as a safeguard to ensure continuity in the provision of the charity's core services. These services are considered by many beneficiaries to be an integral part of their day to day lives and to have to withdraw or cut back services with little or no notice could cause real hardship.

In addition to the general reserves invested, there were free reserves at 31st March 2010 amounting to £317,813. Previously, the Executive Committee had developed a policy whereby free reserves, which are those funds not invested in tangible fixed assets, and designated and restricted funds, should be approximately twelve months of the expenditure on core activities, which equates to £200,000 to £250,000 in general funds. At this level, it was considered that the reserves would be adequate to enable the Executive Committee to manage the effect of a short-term withdrawal of funding, giving time to look at alternative sources of funding. This policy was developed in a period of relative stability, when there was less risk and uncertainty about future funding.

Although the total level of free reserves exceeds the previous target, the Executive Committee consider that in the current climate of uncertainty and change, reserves should be retained in order to allow the charity the flexibility to respond to the long-term effects of potential funding changes whilst maintaining continuity in the service currently provided to beneficiaries. It is anticipated that many of these uncertainties will be resolved in the short to medium term, as revised mental health policies are more clearly defined and applied and the Executive Committee will then be able to review the charity's long-term funding commitments and their reserves policy.

##### Plans for Future Periods

Kettering Mind has submitted the Quality Management in Mind Standards which we need to meet to retain affiliation to National Mind. There are three award levels, with level 3 being the highest. The standards worked on include:-

1. Commitment to quality.
2. Measuring performance.
3. Governance.
4. Planning and policy development.

**KETTERING ASSOCIATION FOR MENTAL HEALTH**

**REPORT OF THE EXECUTIVE COMMITTEE**

**FINANCIAL REVIEW** (Cont)

Plans for Future Periods (Cont)

5. Financial management and systems.
6. People management.
7. Information.
8. User involvement.
9. Equality and diversity.
10. Networking and partnerships.
11. Standards for services.
12. Branding.

The whole quality process has involved Trustees, staff, service users and volunteers. We were assessed in September 2009 originally securing level 2, but following additional work the assessors awarded us level 3 in August 2010.

As an organisation we have been motivated to review our current position and will continue to develop quality at the core of our practice. We have our second stakeholder day planned for September 2010 and this will ensure all stakeholders' views are taken into account in the future planning and shaping of the organisation.

The Charity continues to develop its information, communication and technology. The Kettering Mind website has been developed and is now live at [www.ketteringmind.org.uk](http://www.ketteringmind.org.uk). The Charity continues to develop systems to measure performance outcomes, so evidence and statistics can be collated in a systematic way.

Kettering Mind's fundraising sub-committee continues to meet and develop the fundraising strategy to cover Mind's work not funded by other means. This is to protect the core philosophy and purpose of what Mind is about, and that is community, belonging, learning to rebuild lives and recovering in a non-judgemental environment where others are empathic and understanding.

The Charity plans to continue all the activities outlined above subject to satisfactory funding.

The Charity will also continue working on maintaining the standards we have already achieved and look at improving and developing the quality systems within Mind itself.

**RESPONSIBILITIES OF THE EXECUTIVE COMMITTEE**

Members of the Executive Committee (who are also directors of Kettering Association for Mental Health for the purposes of company law) are responsible for preparing the Report of the Executive Committee and the accounts in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

Company law requires the directors to prepare accounts 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.

**KETTERING ASSOCIATION FOR MENTAL HEALTH**

**REPORT OF THE EXECUTIVE COMMITTEE**

**RESPONSIBILITIES OF THE EXECUTIVE COMMITTEE (Cont)**

In preparing these accounts the directors are required to:-

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

The directors are responsible for keeping proper accounting records that disclose with reasonable accuracy at any time the financial position of the charitable company and enable them to ensure that the accounts comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the charitable company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

**Members of the Executive Committee**

Members of the Executive Committee, who are directors for the purpose of company law, and Trustees for the purpose of charity law, who served during the year and up to the date of this report, are set out on page 1.

**STATEMENT AS TO DISCLOSURE OF INFORMATION TO AUDITORS**

So far as the directors are aware, there is no relevant audit information (as defined by Section 418 of the Companies Act 2006) of which the company's auditors are unaware, and each director has taken all the steps that he or she ought to have taken as a director in order to make himself or herself aware of any relevant audit information and to establish that the company's auditors are aware of that information.

**AUDITORS**

This report has been prepared in accordance with the Statement of Recommended Practice - Accounting and Reporting by Charities (issued in March 2005) and in accordance with the special provisions of Part 15 of the Companies Act 2006 relating to small companies.

Approved by the Executive Committee on 23-8-2010  
and signed on its behalf by:-

  
M. JAMES  
Chairman

**INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF  
KETTERING ASSOCIATION FOR MENTAL HEALTH**

**(A COMPANY LIMITED BY GUARANTEE)**

We have audited the accounts of Kettering Association for Mental Health for the year ended 31st March 2010 which are set out on pages 14 to 28. These accounts have been prepared under the accounting policies set out therein, and the requirements of the Financial Reporting Standard for Smaller Entities (effective April 2008).

This report is made solely to the charitable company's members, as a body, in accordance with Sections 495 and 496 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 its 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 Trustees' (who are also the directors of Kettering Association for Mental Health for the purposes of company law) responsibilities for preparing the Report of the Executive Committee and the accounts in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) and for being satisfied that they give a true and fair view are set out in the Statement of Trustees' Responsibilities.

Our responsibility is to audit the accounts 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 accounts give a true and fair view and are properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice and the Companies Act 2006. We also report to you whether in our opinion the information given in the Report of the Executive Committee is consistent with the accounts.

In addition we report to you if, in our opinion, the charity has not kept adequate accounting records, if we have not received all the information and explanations we require for our audit, or if certain disclosure of Trustees' remuneration specified by law are not made.

We read the Report of the Executive Committee 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 accounts. It also includes an assessment of the significant estimates and judgements made by the Trustees in the preparation of the accounts and of whether the accounting policies are appropriate to the charitable 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 that the accounts 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 accounts.

**INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF  
KETTERING ASSOCIATION FOR MENTAL HEALTH**

**(A COMPANY LIMITED BY GUARANTEE) (Cont)**

**OPINION**

In our opinion:

- the accounts have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice applicable to Smaller Entities;
- the accounts have been prepared in accordance with the Companies Act 2006;
- the accounts give a true and fair view of the state of the charitable company's affairs as at 31st March 2010, and of its incoming resources and application of resources, including its income and expenditure, for the year then ended; and
- the information given in the Report of the Executive Committee is consistent with the accounts.

A P Armer (Senior Statutory Auditor)  
For and on behalf of Smith Hodge & Baxter  
Chartered Accountants & Statutory Auditors  
Thorpe House  
93 Headlands  
KETTERING  
Northants NN15 6BL

31 August 2010

**INCOME AND EXPENDITURE ACCOUNT AND STATEMENT OF FINANCIAL ACTIVITIES**  
**YEAR ENDED 31ST MARCH 2010**

	Notes	Unrestricted Funds	Restricted Funds	Total Funds 2010	Total Funds 2009
<b>INCOMING RESOURCES</b>					
<b>Incoming resources from generated funds:</b>					
Voluntary income:					
Gifts, donations & grants	2	2,009	500	2,509	4,893
Activities for generating funds:					
Training		-	-	-	2,390
Fundraising		30,153	226	30,379	24,709
Investment income	3	10,344	787	11,131	23,564
<b>Incoming resources from charitable activities:</b>					
Grants and contracts	4	202,132	414,725	616,857	570,342
Contributions from service users	5	1,229	54,407	55,636	51,382
<b>Other incoming resources</b>		75	-	75	-
<b>TOTAL INCOMING RESOURCES</b>		<b>£ 245,942</b>	<b>£ 470,645</b>	<b>£ 716,587</b>	<b>£ 677,280</b>
<b>RESOURCES EXPENDED</b>					
<b>Costs of generating funds</b>					
Investment management costs	6	3,256	-	3,256	2,548
Fundraising trading: Cost of goods sold and other costs					
	6	17,537	-	17,537	17,243
<b>Charitable activities</b>	6	225,407	373,624	599,031	587,527
<b>Governance costs</b>	6	18,799	-	18,799	22,818
<b>Other resources expended</b>	6	-	-	-	1,822
<b>TOTAL RESOURCES EXPENDED</b>	6	<b>£ 264,999</b>	<b>£ 373,624</b>	<b>£ 638,623</b>	<b>£ 631,958</b>
<b>NET (RESOURCES EXPENDED)/INCOMING RESOURCES BEFORE TRANSFERS</b>					
		(19,057)	97,021	77,964	45,322
<b>TRANSFER BETWEEN FUNDS</b>					
		53,806	(53,806)	-	-
<b>NET INCOMING RESOURCES BEFORE OTHER RECOGNISED GAINS AND LOSSES</b>					
		34,749	43,215	77,964	45,322
Realised gains/(losses) on investment assets		8,420	1,006	9,426	( 30,033)
<b>NET INCOME FOR THE YEAR</b>					
		43,169	44,221	87,390	15,289
Unrealised gains/(losses) on investment assets		101,305	11,711	113,016	( 81,650)
<b>NET MOVEMENT IN FUNDS</b>					
		144,474	55,932	200,406	( 66,361)
<b>TOTAL FUNDS AT 1ST APRIL 2009</b>					
		1,035,672	98,229	1,133,901	1,200,262
<b>TOTAL FUNDS AT 31ST MARCH 2010</b>					
		<b>£1,180,146</b>	<b>£ 154,161</b>	<b>£1,334,307</b>	<b>£1,133,901</b>

The statement of financial activities includes all gains and losses in the year. All of the above results are derived from continuing activities.



## KETTERING ASSOCIATION FOR MENTAL HEALTH

### NOTES TO THE ACCOUNTS - 31ST MARCH 2010

#### 1. ACCOUNTING POLICIES

The principal accounting policies are summarised below. The accounting policies have been applied consistently throughout the year and in the preceding year. The accounts have been prepared under the historical cost convention, as modified by the revaluation of investments at market value, and in accordance with the Financial Reporting Standard for Smaller Entities (effective April 2008), the Companies Act 2006 and follow the recommendations in "Accounting and Reporting by Charities: Statement of Recommended Practice" issued in March 2005.

##### a) Incoming resources

All incoming resources are included in the Statement of Financial Activities when the charity is entitled to the income and the amount can be quantified with reasonable accuracy. The following specific policies are applied to particular categories of income:-

- Voluntary income is received by way of grants, donations and gifts and is included in full in the Statement of Financial Activities when receivable. Grants, where entitlement is not conditional on the delivery of a specific performance by the charity, are recognised when the charity becomes unconditionally entitled to the grant.
- Gifts in kind are included at the value to the charity where this can be quantified.
- Investment income is included when receivable.
- Incoming resources from grants, where related to performance and specific deliverables, are accounted for as the charity earns the right to consideration by its performance. Grants which represent contributions to projects not yet started at the balance sheet date are treated as deferred income. Contributions received from service users are taken as income upon receipt. Detailed records of associated expenses and any unspent cash balances are maintained.

##### b) Resources expended

Resources expended are recognised in the period in which they are incurred. Resources expended include attributable VAT which cannot be recovered.

Costs of generating funds are those costs incurred in respect of investment management charges.

Charitable expenditure comprises those costs incurred by the charity in the delivery of its activities and services for its beneficiaries. It includes both costs that can be allocated directly to such activities and those costs of an indirect nature necessary to support them.

Governance costs include those costs associated with meeting the constitutional and statutory requirements of the charity and include the audit fees and costs linked to the strategic management of the charity.

All costs are allocated between the expenditure categories of the Statement of Financial Activities on a basis designed to reflect the use of the resource. Costs relating to a particular activity are allocated directly, others are apportioned on an appropriate basis eg. estimated usage as set out in note 6.

##### c) Tangible fixed assets

Tangible fixed assets are stated at cost less accumulated depreciation. The cost of minor additions or those costing below £250 are not capitalised. The Association has legal ownership of the properties it occupies but which were previously held by the North Northamptonshire Association for Mental Health. These were as follows:-

49-51 Russell Street, Kettering  
98 Kingsley Avenue, Kettering



**KETTERING ASSOCIATION FOR MENTAL HEALTH****NOTES TO THE ACCOUNTS - 31ST MARCH 2010****2. GIFTS, DONATIONS AND GRANTS**

	<u>Unrestricted</u>	<u>Restricted</u>	<u>Total 2010</u>	<u>Total 2009</u>
Kettering Rotary Club	-	500	500	200
E A Timson Family Trust	100	-	100	100
Maud Elkington Trust				
Service User activities	-	-	-	2,000
Kettering Disabled Swimming club	-	-	-	750
Other donations	1,909	-	1,909	1,843
	<u>£ 2,009</u>	<u>£ 500</u>	<u>£ 2,509</u>	<u>£ 4,893</u>

The Executive Committee gratefully acknowledges the receipt of the above gifts, donations and grants.

**3. INVESTMENT INCOME**

	<u>Unrestricted Funds</u>	<u>Restricted Funds</u>	<u>Total 2010</u>	<u>Total 2009</u>
Listed investments	6,592	787	7,379	8,603
Interest on cash deposits	3,752	-	3,752	14,961
	<u>£10,344</u>	<u>£ 787</u>	<u>£ 11,131</u>	<u>£ 23,564</u>

**KETTERING ASSOCIATION FOR MENTAL HEALTH****NOTES TO THE ACCOUNTS - 31ST MARCH 2010****4. INCOMING RESOURCES FROM CHARITABLE ACTIVITIES: GRANTS AND CONTRACTS**

	<u>Unrestricted Funds</u>	<u>Restricted Funds</u>	<u>Total 2010</u>	<u>Total 2009</u>
Northamptonshire Teaching Primary Care Trust				
Principal grant	202,132	-	202,132	200,373
Home support	-	43,985	43,985	50,183
Northamptonshire Healthcare NHS Foundation Trust				
Supported accommodation	-	102,809	102,809	100,793
Northamptonshire County Council				
Supported accommodation	-	129,927	129,927	132,669
Carrington Street project	-	73,344	73,344	72,930
Innovations project	-	44,923	44,923	-
Private home support	-	19,730	19,730	12,427
Other grants and contracts income	-	7	7	967
	<u>£202,132</u>	<u>£414,725</u>	<u>£616,857</u>	<u>£570,342</u>

**5. INCOMING RESOURCES FROM CHARITABLE ACTIVITIES:  
CONTRIBUTIONS FROM SERVICE USERS**

	<u>Unrestricted Funds</u>	<u>Restricted Funds</u>	<u>Total 2010</u>	<u>Total 2009</u>
Day services to service users	785	-	785	2,550
Supported accommodation				
Rent and housing benefit	-	50,867	50,867	44,773
Contribution to costs	-	1,066	1,066	388
Service user activities	444	2,474	2,918	3,671
	<u>£ 1,229</u>	<u>£ 54,407</u>	<u>£ 55,636</u>	<u>£ 51,382</u>

**KETTERING ASSOCIATION FOR MENTAL HEALTH**

**NOTES TO THE ACCOUNTS - 31ST MARCH 2010**

**6. TOTAL RESOURCES EXPENDED**

	Basis of Allocation	Home Support	Carrington Street Project	Innovations Project	Supported Accommodation	Day Services and Activities	Investment Management	Governance	2010 Total	2009 Total
<b>Direct costs allocated to activities</b>										
Staff costs	Staff time	35,526	51,496	13,657	169,068	116,417	-	-	386,164	345,230
Travel and other expenses	Direct	1,215	944	339	8,796	1,185	-	108	12,587	11,483
Light and heat	Direct	-	-	-	5,223	3,904	-	-	9,127	4,744
Telephone	Direct	-	-	-	831	2,515	-	-	3,346	3,907
Rent and rates	Direct	-	-	-	20,825	1,538	-	-	22,363	21,143
Repairs	Direct	-	-	-	926	3,296	-	-	4,222	17,838
Sundries	Direct	-	-	-	625	-	-	1,460	2,085	1,871
Insurance	Direct	-	-	-	452	3,653	-	-	4,105	6,635
Holidays, trips & other activities	Direct	-	-	-	47	3,430	-	-	3,477	5,185
Cleaning	Direct	-	-	-	84	1,469	-	-	1,553	1,785
Stationery and postage	Direct	-	-	92	-	4,310	-	-	4,402	4,737
Courses and training costs	Direct	-	-	-	-	902	-	-	902	1,806
Catering costs	Direct	-	-	-	-	15,682	-	-	15,682	16,685
Transport	Direct	-	-	-	-	454	-	-	454	763
Audit	Direct	-	-	-	-	-	-	5,875	5,875	5,875
Accountancy & other professional services	Direct	-	-	-	-	-	-	8,063	8,063	7,474
Depreciation	Direct	-	-	-	1,812	10,157	-	-	11,969	2,999
Advertising, promotion & publicity	Direct	-	-	508	-	1,855	-	-	2,363	1,053
Investment management costs	Direct	-	-	-	-	-	3,256	-	3,256	2,548
Lottery grant repaid	Direct	-	-	-	-	-	-	-	-	1,822
<b>Support costs allocated to activities</b>										
Management & admin staff costs	Staff time	1,850	11,567	2,467	42,538	61,671	-	3,249	123,342	146,083
Travel and other expenses	Usage	-	-	-	-	508	-	-	508	426
Light and heat	Usage	-	-	-	-	1,673	-	-	1,673	155
Telephone	Usage	-	-	-	-	1,078	-	-	1,078	428
Rent and rates	Usage	-	-	-	-	659	-	-	659	109
Repairs	Usage	-	-	-	-	1,413	-	-	1,413	816
Cleaning	Usage	-	-	-	-	630	-	-	630	234
Stationery and postage	Usage	-	-	-	-	1,847	-	-	1,847	652
Holidays, trips & other activities	Usage	-	-	-	-	-	-	-	-	39
Payroll costs	Staff costs	25	157	33	575	834	-	44	1,668	1,536
Depreciation	Usage	-	-	-	-	3,810	-	-	3,810	15,897
		<u>£38,616</u>	<u>£64,164</u>	<u>£17,096</u>	<u>£251,802</u>	<u>£244,890</u>	<u>£3,256</u>	<u>£18,799</u>	<u>£638,623</u>	<u>£631,958</u>

**KETTERING ASSOCIATION FOR MENTAL HEALTH****NOTES TO THE ACCOUNTS - 31ST MARCH 2010****7. NET INCOMING RESOURCES FOR THE YEAR**

This is stated after charging:

	<u>2010</u>	<u>2009</u>
	£	£
Depreciation	15,779	18,896
Auditor's remuneration		
Audit services	5,175	5,175
Accountancy and other services	8,763	8,174
	<u>          </u>	<u>          </u>

Travel costs amounting to £108 (2009: £37) were reimbursed to 2 (2009: 1) members of the Executive Committee and advertising costs of £108 were reimbursed to 1 (2009: None) member of the Executive Committee. No remuneration was paid to members of the Executive Committee.

**8. STAFF COSTS AND NUMBERS**

Staff costs were as follows:

	<u>2010</u>	<u>2009</u>
Salaries and wages	466,801	449,601
Social security costs	37,034	35,953
Pension costs	5,671	5,759
	<u>          </u>	<u>          </u>
	£509,506	£491,313
	<u>          </u>	<u>          </u>

No employee received emoluments of more than £60,000.

The average weekly number of employees during the year, calculated on the basis of full time requirements, was as follows:-

	<u>2010</u>	<u>2009</u>
	No.	No.
Manager	1	1
Day services to service users	10	10
Home support	17	17
Innovations project	1	-
Management and administration	6	6
	<u>          </u>	<u>          </u>
	35	34
	<u>          </u>	<u>          </u>

The above analysis of average number of employees is based on each employee's primary function within the charity. However many of the employees do spend time on more than one activity.

**KETTERING ASSOCIATION FOR MENTAL HEALTH****NOTES TO THE ACCOUNTS - 31ST MARCH 2010****9. TAXATION**

The charitable company is exempt from corporation tax on its charitable activities.

**10. TANGIBLE FIXED ASSETS**

Fixed assets for the charity's use:-

	<u>Freehold land and buildings</u>	<u>Equipment, Furniture and fittings</u>	<u>Total</u>
<b>COST</b>			
At 1st April 2009	419,937	121,969	541,906
Additions in year	-	2,043	2,043
	-----	-----	-----
At 31st March 2010	£419,937	£124,012	£543,949
	=====	=====	=====
<b>ACCUMULATED DEPRECIATION</b>			
At 1st April 2009	78,355	100,153	178,508
Charge for year	8,399	7,380	15,779
	-----	-----	-----
At 31st March 2010	£ 86,754	£107,533	£194,287
	=====	=====	=====
<b>NET BOOK VALUE</b>			
At 31st March 2010	£333,183	£ 16,479	£349,662
	=====	=====	=====
At 31st March 2009	£341,582	£ 21,816	£363,398
	=====	=====	=====

The significant part of tangible fixed assets are used for direct charitable purposes.

In the opinion of the Executive Committee, at 31st March 2010 the market value of freehold land and buildings was in excess of its carrying value. The Executive Committee believe that the cost of quantifying the difference would exceed any benefit from doing so and therefore consider that this is not practicable.

**KETTERING ASSOCIATION FOR MENTAL HEALTH****NOTES TO THE ACCOUNTS - 31ST MARCH 2010****11. INVESTMENTS**

	<u>Unrestricted Funds</u>	<u>Restricted Funds</u>	<u>Total 2010</u>	<u>Total 2009</u>
<b>COST OR VALUATION</b>				
At 1st April 2009	296,039	35,360	331,399	437,670
Additions at cost	64,101	7,657	71,758	128,749
Disposals at carrying value	( 51,997)	( 6,211)	( 58,208)	(153,370)
Net gain/(loss) on revaluation	100,957	12,059	113,016	(81,650)
	<u>£409,100</u>	<u>£48,865</u>	<u>£457,965</u>	<u>£331,399</u>
Investments at 31st March 2010 comprise:				
Investment assets in the UK:				
Equities	51,945	6,204	58,149	46,309
Unit trust and other investment funds	216,423	25,851	242,274	149,829
	<u>£268,368</u>	<u>£ 32,055</u>	<u>£300,423</u>	<u>£196,138</u>
Investments assets outside the UK:				
Equities	3,192	381	3,573	2,140
Unit trust and other investment funds	131,395	15,694	147,089	110,310
	<u>£134,587</u>	<u>£ 16,075</u>	<u>£150,662</u>	<u>£112,450</u>
Aggregate investments listed on a recognised stock exchange				
	402,955	48,130	451,085	308,588
Bank deposits	6,145	735	6,880	22,811
	<u>£409,100</u>	<u>£ 48,865</u>	<u>£457,965</u>	<u>£331,399</u>

The "bank" deposits represent a total of £6,880 (2009: £22,811) on deposit with the charity's investment brokers, Quilter.

The charity's listed investments were valued for the Trustees by Quilter by reference to market prices at the year end. Since then the market value of the portfolio has been subject to fluctuation in line with general movements on the Stock Market.

The historical cost of investments listed on a recognised Stock Exchange at 31st March 2010 was £421,578 (2009: £405,560).

**KETTERING ASSOCIATION FOR MENTAL HEALTH****NOTES TO THE ACCOUNTS - 31ST MARCH 2010****11. INVESTMENTS (Cont)**

The Trustees consider the following listed investments to be material (representing 5% or more of the investment portfolio at the balance sheet date) in the context of the investment portfolio.

	2010 Market Value <u>£</u>	2009 Market Value <u>£</u>
UK Unit Trust and other investment funds:		
AXA Framlington UK Select Opportunities Inc	35,846	23,826
Cazenove UK Growth & Income	36,062	24,383
Jupiter Unit Trust Managers Income Trust	32,519	24,961
Non UK Unit Trust and other investment funds:		
Ishares FTSE 100	58,547	40,473
Ishares S&P 500	44,154	31,774
	<u>          </u>	<u>          </u>

**12. DEBTORS**

	<u>2010</u>	<u>2009</u>
Trade debtors - Grant and contract income receivable	9,167	9,191
Other debtors	6,848	3,218
	<u>          </u>	<u>          </u>
	£ 16,015	£ 12,409
	<u>          </u>	<u>          </u>

**13. CREDITORS FALLING DUE WITHIN ONE YEAR**

	<u>2010</u>	<u>2009</u>
Other creditors	50,093	50,093
Accruals and deferred income	20,078	21,750
	<u>          </u>	<u>          </u>
	£ 70,171	£ 71,843
	<u>          </u>	<u>          </u>



**KETTERING ASSOCIATION FOR MENTAL HEALTH****NOTES TO THE ACCOUNTS - 31ST MARCH 2010****15. MOVEMENT IN FUNDS (Cont)****Purposes of restricted funds**

Home support	The charity provides support to service users by visiting them in their homes in accordance with agreed support packages. Local authority grants finance the cost of support workers wages and expenses, and associated overhead costs. At 31st March 2010 the charity had fulfilled its obligations under the various contracts, and the balance on the fund has therefore been transferred to unrestricted general funds.
Carrington Street	Property owned by Kettering Borough Council is used as a hostel and is operated by the charity in conjunction with the leaseholders English Churches Housing Group. The charity is responsible for providing care and support to the residents and a grant received from Supporting People is used to fund the cost of support workers wages, expenses and associated overheads. At 31st March 2010 the charity had achieved the level of service required under the agreement, and the balance on the fund has therefore been transferred to unrestricted general funds.
Supported Accommodation	<p>As part of the Supporting People and Social Care and Health programmes, the charity receives funding to provide sheltered housing for service users. At the beginning of the year, there were four projects in operation. Care and support was provided for the residents of one property owned by the charity, two properties owned by Kettering Borough Council and a block of flats built by Bedfordshire Pilgrims Housing Association.</p> <p>In addition, in partnership with Supporting People, the charity provides floating support care to tenants of council and housing association property to help them maintain their tenancy.</p> <p>At 31st March 2010 the charity had fulfilled all of its commitments under the four projects and the floating support care, therefore the balances on these funds were transferred to general funds to finance other charitable expenditure.</p> <p>Of the total remaining on the fund, £6,019 is required to cover the future depreciation of fixtures, fittings and equipment originally purchased using restricted funds. The balance is held for the maintenance of the residential properties owned or leased by the charity and for the benefit of their residents.</p>
Service User activities	Monies are collected from service users to partly fund day trips, camping trips, holidays and similar activities.
Fundraising and donations	From time to time funds are raised from events or appeals for a specific purpose.
Innovations project	During the year the charity received funding from Supporting People for a ten month pilot project aimed at integrating specific individuals into the community. This pilot project will continue until 31st August 2010. Therefore the balance on this fund represents funding available to meet future expenditure during the remaining period of the programme.

**KETTERING ASSOCIATION FOR MENTAL HEALTH****NOTES TO THE ACCOUNTS - 31ST MARCH 2010****15. MOVEMENT IN FUNDS (Cont)****Purpose of designated funds**

Building Appeal	A designated fund has been created to reflect the book value of freehold property used by the charity to provide day service facilities and for support work and administration. The fund will be reduced over the useful economic life of the property in line with its depreciation.
Day services to service users	General funds are designated to meet specific costs of offering a varied programme of centre based activities and day to day support. £200,461 was designated for the year.
Training	Funds are designated to provide staff training.
Transport	Funds are designated to provide transport for service users to enable them to travel to and from the day centre.
Legacy	A separate fund was created for the legacy to which the charity became entitled in 2004. This will be used or invested to provide for the improvement of services to service users, ideally by the acquisition of a further property should something suitable become available. During the year there was no movement on this fund.
Promotional PR	Due to the uncertainty of future grant funding at current levels, funds have been designated to meet the costs of raising the charity's profile and to promote fundraising activities.
Building Refurbishment	General funds had been designated to meet the costs of refurbishing the charity's day centre. The planned refurbishment has now been completed and therefore the balance on this fund was transferred back to general funds during the year.
Revaluation Reserve	This revaluation reserve fund is required by the Companies Act 2006 and represents the amount by which unrestricted investments exceed their historical cost. £26,359 has been transferred from general funds during the year.

**16. ANALYSIS OF NET MOVEMENTS IN FUNDS**

This statement shows how the net movement in funds relates to the changes in net resources available to finance future charitable expenditure, after taking account of resources related to fixed assets which are not available to spend as income.

	Unrestricted Funds	Restricted Funds	Total 2010	Total 2009
Net movement in funds	144,474	55,932	200,406	( 66,361)
Net cash expended on fixed assets	( 2,043)	-	( 2,043)	( 36,408)
Changes in resources available to spend	£142,431	£ 55,932	£198,363	(£102,769)

**KETTERING ASSOCIATION FOR MENTAL HEALTH**

**NOTES TO THE ACCOUNTS - 31ST MARCH 2010**

**17. PENSION COMMITMENTS**

During the year the company operated a defined contribution pension scheme on behalf of certain employees. The assets of the scheme are held separately from those of the company in an independently administered fund. The pension cost for the year was £5,670 (2009: £5,759).