

Charity Registration No. 701260

Company Registration No. 02339094 (England and Wales)

HEREFORDSHIRE MIND
ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2018

HEREFORDSHIRE MIND

LEGAL AND ADMINISTRATIVE INFORMATION

Trustees	Ms C Shovlin Mr M Waller Mrs J Faux Mr D King Mr A Wilcox	(Appointed 17 July 2017)
Secretary and Chief Executive	Ms A Lawrence	
Charity number	701260	
Company number	02339094	
Registered and Principal office	Heffernan House 130-132 Widemarsh Street Hereford HR4 9HN	
Auditor	Kendall Wadley LLP Suite 35 Rural Enterprise Centre Vincent Carey Road Rotherwas Hereford HR2 6FE WR14 2JS	
Bankers	Unity Trust Bank Nine Brindley Place Birmingham B1 2HB Bristol	
	CAF Bank 25 Kings Hill Avenue West Malling Kent ME19 4JQ	
	Big Issue Invest Brunswick Court Brunswick Square Bristol BS2 8PE	

HEREFORDSHIRE MIND

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HEREFORDSHIRE MIND

TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT) FOR THE YEAR ENDED 31 MARCH 2018

The Trustees present their report and financial statements for the year ended 31 March 2018.

The accounts have been prepared in accordance with the accounting policies set out in note 1 to the accounts and comply with the Charity's governing document, the Companies Act 2006 and "Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102)" (as amended for accounting periods commencing from 1 January 2016).

Objectives and activities

The Charity's objects are to focus on assisting in relieving and rehabilitating persons suffering from mental disorders or conditions of emotional or mental distress. There is unrestricted access to our services for all affected by such conditions. In consequence the activities deliver public benefit.

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

We have worked hard over the past year to respond to the changing nature of referrals and across all Mind services we have seen an increasing need to deal with more complex issues, whilst creating more bespoke services tailored to the individual. Our team of 54 staff and 20 volunteers has supported nearly 500 people during the year, which compares to 253 in 2016/17, an increase largely due to our community based work. Similarly, the hours of care we have delivered has increased from 106,860 in 2016/17 to 121,621 this year. Here are the highlights of a busy year:

Our nursing based care home provision is the bedrock of the organisations activities from our "Shires" care home on Aylestone Hill, Hereford. This offers a slow stream recovery model for residents with serious and enduring mental health problems. Funding is via individual placements from local authorities and the NHS. The Shires has continued to be fully occupied over the year with 11 residents. We have provided student-nursing placements for Worcester University students and Mental Health foundation degree placements for students of Hereford and Ludlow College. We were also pleased to introduce a programme of psychological support during the year. We were inspected by the Care Quality Commission and rated overall as "good" for the standard of service and care.

Recovery and Wellbeing. This is the original core service, operating from our hub in Heffernan House, with "outreach" across the county delivering activities and support-based work, including partnership with:

- Herefordshire College of Art
- No wrong Door, youth drop in service
- Phoenix Bereavement
- Herefordshire LA – Adult Education
- SHYPP – Supported Housing for Young People Project
- Courtyard Arts Centre
- Ledbury Poetry Festival
- The Cartshed
- Leominster City Council

HEREFORDSHIRE MIND

TRUSTEES' REPORT (CONTINUED)(INCLUDING DIRECTORS' REPORT) FOR THE YEAR ENDED 31 MARCH 2018

Our Community Support Team has continued to develop over the last year, offering a specialist paid support service. The aim of the service is to provide support to enable people to live independently in their own homes. The service receives referrals from various sources and we actively encourage a wide and diverse client base. Funding is via the service recipients themselves. This team also manages our transitional housing project, Housing in Mind, which provides supported residential accommodation at our Ferncroft facility in Hereford. This year the service has branched out into delivering support on Post Traumatic Stress Disorder (PTSD) particularly working with veterans. Ferncroft has had high levels of occupancy over the year and two successful moves into independent living.

This year we celebrated 40 years as the leading mental health charity in the county, which we marked with a series of events throughout the year and into 2018/19.

With the loss of all public sector funding, this service is under considerable pressure and current activity is very much reduced from previous years. We do not see this improving in the near future. We do enjoy considerable support from the public and charitable funders but this does not make up for the loss of significant amounts of local authority funding that were in place in former years. We remain dependent on funding, donations, corporate sponsorship and legacies for much of what we deliver:

- £16,807 Funding from Postcode Lottery and EF Bulmer Benevolent Fund for Art space and the expansion of the project into Leominster and Ross on Wye.
- Community Fundraising totalling £10,646, the Board is grateful to all community members that participated in various events and activities to provide this useful contribution
- Donations from Trusts of £58,800 and from legacies of £9,286
- Our principal corporate sponsors are:
 - McCartney's
 - Kidwells
 - Luctonians

Our vision is of a world where everyone gets the respect and support they need to achieve good mental wellbeing.

To realise this, our Mission is to provide quality support, whilst raising awareness and promoting understanding about mental health issues.

We are (our Values)...

Independent: we will use our independence to speak out on behalf of people with mental health problems.

Responsive: we listen to what people tell us and act on this.

Open: we are transparent and accountable in all that we do.

Collaborative: working with others, we achieve more.

Creative: we nurture creativity and innovation.

HEREFORDSHIRE MIND

TRUSTEES' REPORT (CONTINUED)(INCLUDING DIRECTORS' REPORT) FOR THE YEAR ENDED 31 MARCH 2018

Achievements and performance

The last year has again involved cuts to services as a direct consequence of loss of public sector funding. As in previous years, we have continued to streamline our services and, wherever possible, maintain a level of service to the public.

The year though has been dominated by the disposal of our new Miller Court care facility, which opened in October 2016. The development of this residential facility had not been dependent on public sector funding and was a 14 bed unit financed by us through a mix of cash reserves and commercial loan funding – there had been no cost to the local NHS. Due to the challenges of filling Miller Court, arising from a changing and challenging funding landscape, to safeguard the future of the charity, the Trustees closed the facility in March 2018. We spent much of the year seeking a partner to take over the facility, ideally so that the building could continue to support people with mental health problems. We explored a range of arrangements with potential partners in the 3rd Sector, the NHS and even the private sector, but none provided a viable solution, or one that was consistent with our own charitable aims and objects. Eventually we had the opportunity to partner with Herefordshire University (NMiTE) to provide living accommodation. This is provided for by a two-year lease with an option to buy at the end of that period. The accommodation is ideal for NMiTE's purposes for its "Design Cohort" and for future student accommodation. We hope that this will be the start of an on-going partnership with Herefordshire Mind providing pastoral support services. We are excited to be partnering with NMiTE at this formative stage and delighted that our investment in Miller Court will be put to such good use for the benefit of our community. We wish to acknowledge the continued support, encouragement and guidance of our investor, Big Issue Invest, without whom we would not have been able to secure such a suitable solution for the future use of Miller Court and thereby the longer-term viability of the charity.

Financial review

In common with the rest of the 3rd sector and with all suppliers of health and social care services, our environment remains very difficult, comprising a steady increase in the demand for services coupled with continued pressures on funding. Our income increased by £177,468 (16.7%) over the previous year. This year we have made a deficit of £354,004 before a revaluation gain of £363,061 resulting in a net increase in funds of £9,057. Of the operational result for the year income of £257,661, expenditure of £405,020 and loan interest of £179,657 (deficit of £327,016) relates to the operation of Miller Court. This activity could not be sustained and in March 2018 a decision was taken to close and sell the Miller Court facility. Following the decision to sell Miller Court, a tenant has been secured on a two year term, the asset has been reclassified as an investment property resulting in the revaluation gain already referred to. There has been no indication that this asset has been impaired.

The Board of Trustees established an objective, for free reserves (unrestricted funds not committed or invested in tangible fixed assets) to equal one month of resources expended (1/12 of total annual expenditure); this equates to (excluding Miller Court) about £84,000 at 2017/18 expenditure levels. At this level the Board of Trustees feel the organisation would be able to meet most contingencies without affecting day-to-day activities. Total unrestricted reserves remain above this level, however, after allowing for tangible fixed assets and attached borrowings, free available reserves amount to £157,637 (2017 - £96,435). As at the year end, certain of the unrestricted reserves have been designated by the trustees for future funding purposes amounting to £8,886 (2017 - £9,910) and restricted funds £ 623,969 (2017 - £641,945).

The Trustees have assessed the major risks to which the Charity is exposed, and are satisfied that systems are in place to mitigate exposure to the major risks.

HEREFORDSHIRE MIND

TRUSTEES' REPORT (CONTINUED)(INCLUDING DIRECTORS' REPORT) FOR THE YEAR ENDED 31 MARCH 2018

Going concern

At the time of approving the accounts, the Trustees have a reasonable expectation that the Charity has adequate resources to continue in operational existence for a period of at least 12 months from the date of signing these accounts. The Trustees recognize the importance of the success of the sale of Miller Court in securing the future of the Charity given the material nature of the investment, revenues and costs associated with operating the facility. At the date of approval of these accounts, the Trustees note that a tenant has been secured for Miller Court for two years with an option to purchase the same at the end of the lease. Full support of the key stakeholders has been invaluable, and subsequent to the reporting date, terms and conditions relating to the loan funding have been successfully renegotiated. These two events ensure stability for at least the next twelve months and provide more certainty for the charity into the longer term. Accordingly, the Trustees continue to adopt the going concern basis of accounting in preparing these accounts.

Plans for future periods

In 2019, we will commence a consultation on our 2021 Strategy 'Surviving to Thriving.' This strategy will reflect the shape of the charity post Miller Court.

Too many people still aren't getting the support they need - but this is the next stage in our journey towards our ultimate ambition of everyone getting the respect and support they need to achieve good mental wellbeing.

In the next year, some of the key priorities will be:

1. Reaching more people

We will raise our profile by:

- increasing our attendance at local and regional forums, meetings & events
- working more in partnership in all that we do to achieve outcomes for individuals;
- develop a range of new partnerships and collaborations that help us achieve our vision
- improving our digital presence

2. Be the best we can be

A well led organisation (Governance)

- We will further develop an experienced leadership/senior management team structure

A great place to work

- We will ensure the right structures and forums to aid decision making, communication & involvement

3. Sustaining our growth

Expanding the places our funding comes from

- We will maximise the amount of funding we can generate through community fundraising and donations/sponsorship

We cannot do any of our work without our staff, volunteers, donors, partners and supporters. Our thanks to all of you for your help this year, past, present and future.

HEREFORDSHIRE MIND

TRUSTEES' REPORT (CONTINUED)(INCLUDING DIRECTORS' REPORT) FOR THE YEAR ENDED 31 MARCH 2018

Structure, governance and management

The Charity is a company limited by guarantee incorporated in England and Wales. The Charitable Company is governed by its Memorandum and Articles of Association dated 25 January 1989 and as amended by special resolution dated 16 July 1991, 26 July 1994, 18 January 2000 and 21 November 2001.

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

Ms C Shovlin

Mr M Waller

Ms H Baker

(Resigned 16 April 2018)

Mrs J Faux

Mr D King

Mr A Wilcox

(Appointed 17 July 2017)

The Trustees of Herefordshire Mind are appointed either through election at the Annual General Meeting or by co-option by existing Trustees at their meetings during the year. New Trustees are given an induction pack that explains their legal obligations under charity and company law and their proposed role in the charity. They are also given an opportunity to see the charities operations and to meet key employees and the Trustees.

None of the Trustees has any beneficial interest in the company. All of the Trustees are members of the company and guarantee to contribute £1 in the event of a winding up.

The board of Trustees administers the charity. The board appoints a General Manager to manage the day to day operations of the charity and there is further delegation, within terms approved by the Trustees. The General Managers during 2017/18 were David Healey, who joined in April, but left in October to pursue a new opportunity closer to his home in the West Midlands, succeeded by Andrew Fry who joined as interim General Manager from November through to July 2018. Alicia Lawrence was appointed as General Manager in September 2018.

The pay of key management personnel is set by the Board having due regard to responsibilities, experience and rates of pay in the health sector.

The Trustees would like to pay tribute to all our staff and volunteers, who have maintained our service during these challenging times. In particular, all teams deserve a special mention for the excellent way they pulled together and made sure all services kept running during the periods of bad weather and snow that Herefordshire experienced during the last winter.

Disclosure of information to auditor

Each of the Trustees has confirmed that there is no information of which they are aware which is relevant to the audit, but of which the auditor is unaware. They have further confirmed that they have taken appropriate steps to identify such relevant information and to establish that the auditor is aware of such information.

This report has been prepared in accordance with the special provisions relating to small companies within Part 15 of the Companies Act 2006.

The Trustees' report was approved by the Board of Trustees.



Mr M Waller

Trustee (Director)

Dated: 21 November 2018

HEREFORDSHIRE MIND

STATEMENT OF TRUSTEES' RESPONSIBILITIES

FOR THE YEAR ENDED 31 MARCH 2018

The Trustees, who are also the directors of Herefordshire Mind for the purpose of company law, are responsible for preparing the Trustees' Report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

Company Law requires the Trustees to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the Charity and of the incoming resources and application of resources, including the income and expenditure, of the charitable company for that year.

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

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

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

HEREFORDSHIRE MIND

INDEPENDENT AUDITOR'S REPORT TO THE TRUSTEES OF HEREFORDSHIRE MIND

Opinion

We have audited the financial statements of Herefordshire Mind (the 'Charity') for the year ended 31 March 2018 which comprise the statement of financial activities, the balance sheet, the statement of cash flows and the notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

- give a true and fair view of the state of the charitable company's affairs as at 31 March 2018 and of its incoming resources and application of resources, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

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

Conclusions relating to going concern

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

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

Other information

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

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

We have nothing to report in this regard.

HEREFORDSHIRE MIND

INDEPENDENT AUDITOR'S REPORT (CONTINUED) TO THE TRUSTEES OF HEREFORDSHIRE MIND

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters in relation to which the Charities (Accounts and Reports) Regulations 2008 require us to report to you if, in our opinion:

- the information given in the financial statements is inconsistent in any material respect with the Trustees' report; or
- sufficient accounting records have not been kept; or
- the financial statements are not in agreement with the accounting records; or
- we have not received all the information and explanations we require for our audit.

Responsibilities of Trustees

As explained more fully in the statement of Trustees' responsibilities, the Trustees, who are also the directors of the Charity for the purpose of company law, are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the Trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

Auditor's responsibilities for the audit of the financial statements

We have been appointed as auditor under section 144 of the Charities Act 2011 and report in accordance with the Act and relevant regulations made or having effect thereunder.

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

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



Sarah Morley ACA (Senior Statutory Auditor)
for and on behalf of Kendall Wadley LLP
Chartered Accountants
Statutory Auditor

21 November 2018

Granta Lodge
71 Graham Road
Malvern
Worcestershire
WR14 2JS

Kendall Wadley LLP is eligible for appointment as auditor of the Charity by virtue of its eligibility for appointment as auditor of a company under of section 1212 of the Companies Act 2006

HEREFORDSHIRE MIND

STATEMENT OF FINANCIAL ACTIVITIES INCLUDING INCOME AND EXPENDITURE ACCOUNT

FOR THE YEAR ENDED 31 MARCH 2018

		Unrestricted funds	Designated funds	Restricted funds	Total 2018	Total 2017
	Notes	£	£	£	£	£
<u>Income from:</u>						
Donations and legacies	4	131,582	74	47,557	179,213	229,784
Charitable activities	5	951,479	-	16,200	967,679	722,289
Activities for generating funds	7	89,497	-	-	89,497	106,679
Investments	6	39	-	-	39	208
Total income		1,172,597	74	63,757	1,236,428	1,058,960
<u>Expenditure on:</u>						
Raising funds	8	29,229	-	1,436	30,665	23,836
Charitable activities	9	1,471,492	-	88,275	1,559,767	1,259,382
Total resources expended		1,500,721	-	89,711	1,590,432	1,283,218
Net gains on investments	13	355,083	-	7,978	363,061	-
Net incoming/(outgoing) resources before transfers		26,959	74	(17,976)	9,057	(224,258)
Gross transfers between funds	14	1,098	(1,098)	-	-	-
Net income/(expenditure) for the year/ Net movement in funds		28,056	(1,024)	(17,976)	9,057	(224,258)
Fund balances at 1 April 2017		751,904	9,910	641,945	1,403,759	1,628,017
Fund balances at 31 March 2018		779,961	8,886	623,969	1,412,816	1,403,759

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

HEREFORDSHIRE MIND

BALANCE SHEET

AS AT 31 MARCH 2018

	Notes	2018		2017	
		£	£	£	£
Fixed assets					
Tangible assets	15		728,125		3,112,254
Investment properties	16		2,700,000		-
			<u>3,428,125</u>		<u>3,112,254</u>
Current assets					
Debtors	18	96,206		20,702	
Cash at bank and in hand		197,403		221,561	
		<u>293,609</u>		<u>242,263</u>	
Creditors: amounts falling due within one year	20	(409,309)		(175,758)	
Net current (liabilities)/assets			<u>(115,700)</u>		<u>66,505</u>
Total assets less current liabilities			<u>3,312,425</u>		<u>3,178,759</u>
Creditors: amounts falling due after more than one year	21		(1,899,609)		(1,775,000)
Net assets			<u>1,412,816</u>		<u>1,403,759</u>
Income funds					
Restricted funds	24		623,969		641,945
Designated funds	25		8,886		9,910
Unrestricted funds			779,961		751,904
			<u>1,412,816</u>		<u>1,403,759</u>

HEREFORDSHIRE MIND

BALANCE SHEET (CONTINUED)

AS AT 31 MARCH 2018

The company is entitled to the exemption from the audit requirement contained in section 477 of the Companies Act 2006, for the year ended 31 March 2018, although an audit has been carried out under section 144 of the Charities Act 2011. No member of the company has deposited a notice, pursuant to section 476, requiring an audit of these financial statements under the requirements of the Companies Act 2006.

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

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

The accounts were approved by the Trustees on 21 November 2018



Mr M Waller

Trustee (Director)

Company Registration No. 02339094

HEREFORDSHIRE MIND

STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 31 MARCH 2018

	Notes	2018 £	£	2017 £	£
Cash flows from operating activities					
Cash absorbed by operations	28		(202,851)		(316,257)
Investing activities					
Purchase of tangible fixed assets		(136)		(936,577)	
Proceeds on disposal of tangible fixed assets		-		1,547	
Interest received		39		208	
Net cash used in investing activities			(97)		(934,822)
Financing activities					
Proceeds of new bank loans		178,790		1,016,322	
Net cash generated from financing activities			178,790		1,016,322
Net decrease in cash and cash equivalents			(24,158)		(234,757)
Cash and cash equivalents at beginning of year			221,561		456,318
Cash and cash equivalents at end of year			197,403		221,561

HEREFORDSHIRE MIND

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2018

1 Accounting policies

Company information

Herefordshire Mind is a private company limited by guarantee incorporated in England and Wales. The registered office is Heffernan House, 130-132 Widemarsh Street, Hereford, HR4 9HN.

1.1 Accounting convention

The accounts have been prepared in accordance with the Charity's Memorandum and Articles of Association, the Companies Act 2006 and "Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102)" (as amended for accounting periods commencing from 1 January 2016). The Charity is a Public Benefit Entity as defined by FRS 102.

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

The accounts have been prepared under the historical cost convention. The principal accounting policies adopted are set out below.

1.2 Going concern

At the time of approving the accounts, the Trustees have a reasonable expectation that the Charity has adequate resources to continue in operational existence for a period of at least 12 months from the date of signing these accounts. The Trustees recognize the importance of the success of the sale of Miller Court in securing the future of the Charity given the material nature of the investment, revenues and costs associated with operating the facility. At the date of approval of these accounts, the Trustees note that a tenant has been secured for Miller Court for two years with an option to purchase the same at the end of the lease. Full support of the key stakeholders has been invaluable, and subsequent to the reporting date, terms and conditions relating to the loan funding have been successfully renegotiated. These two events ensure stability for at least the next twelve months and provide more certainty for the charity into the longer term. Accordingly, the Trustees continue to adopt the going concern basis of accounting in preparing these accounts.

1.3 Charitable funds

Unrestricted funds are available for use at the discretion of the Trustees in furtherance of their charitable objectives unless the funds have been designated for other purposes.

Restricted funds are subject to specific conditions by donors as to how they may be used. The purposes and uses of the restricted funds are set out in the notes to the financial statements.

1.4 Incoming resources

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

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

Legacies are recognised on receipt or otherwise if the Charity has been notified of an impending distribution, the amount is known, and receipt is expected. If the amount is not known, the legacy is treated as a contingent asset.

HEREFORDSHIRE MIND

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2018

1 Accounting policies

(Continued)

1.5 Resources expended

All expenses are accounted for on an accruals basis. Liabilities are recognised when they are incurred.

Costs of generating funds comprise those costs directly attributable to raising funds through activities.

Direct charitable expenditure includes all overhead costs in supporting the direct charitable activities.

Governance costs comprise those costs not already deemed as overhead costs and not associated with achieving the direct charitable activities.

1.6 Tangible fixed assets

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

Depreciation is recognised so as to write off the cost or valuation of assets less their residual values over their useful lives on the following bases:

Freehold land and buildings	2% or 20% on cost, land is not depreciated
Fixtures and fittings	20% on cost
Computers	33.33% on cost

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

1.7 Investment properties

Investment property, which is property held to earn rentals and/or for capital appreciation, is initially recognised at cost, which includes the purchase cost and any directly attributable expenditure. Subsequently it is measured at fair value at the reporting end date. The surplus or deficit on revaluation is recognised in the statement of financial activities.

1.8 Impairment of fixed assets

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

HEREFORDSHIRE MIND

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2018

1 Accounting policies

(Continued)

Recoverable amount is the higher of fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset is estimated to be less than its carrying amount, the carrying amount of the asset is reduced to its recoverable amount. An impairment loss is recognised immediately in income/ (expenditure) for the year, unless the relevant asset is carried at a revalued amount, in which case the impairment loss is treated as a revaluation decrease.

Recognised impairment losses are reversed if, and only if, the reasons for the impairment loss have ceased to apply. Where an impairment loss subsequently reverses, the carrying amount of the asset is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset in prior years. A reversal of an impairment loss is recognised immediately, unless the relevant asset is carried in at a revalued amount, in which case the reversal of the impairment loss is treated as a revaluation increase.

1.9 Cash and cash equivalents

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

1.10 Financial instruments

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

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

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

Basic financial assets

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

Basic financial liabilities

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

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

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

HEREFORDSHIRE MIND

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2018

1 Accounting policies

(Continued)

Derecognition of financial liabilities

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

1.11 Employee benefits

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

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

1.12 Retirement benefits

Payments to defined contribution retirement benefit schemes are charged as an expense as they fall due.

1.13 Leases

Rentals payable under operating leases, including any lease incentives received, are charged to income on a straight line basis over the term of the relevant lease.

2 Critical accounting estimates and judgements

In the application of the Charity's accounting policies, the Trustees are required to make judgements, estimates and assumptions about the carrying amount of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Such estimates include the establishment of an appropriate depreciation policy in respect of tangible fixed assets to ensure book value is compatible with market value. Actual results may differ from these estimates.

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

3 Miller Court

The decision was taken in March 2018 to close the Miller Court facility. The financial impact of these discontinued activities on the statement of financial activities is:

	£
Income	257,661
Direct costs	(405,020)
	<hr/>
Deficit before loan interest	(147,359)
	<hr/> <hr/>

In addition loan interest of £179,657 has been incurred in connection with the financing of the build of the facility.

HEREFORDSHIRE MIND

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2018

4 Donations and legacies

	Unrestricted funds	Designated funds	Restricted funds	Total 2018	Total 2017
	£	£	£	£	£
Donations and gifts	122,296	74	47,557	169,927	229,784
Legacies receivable	9,286	-	-	9,286	-
	<u>131,582</u>	<u>74</u>	<u>47,557</u>	<u>179,213</u>	<u>229,784</u>
For the year ended 31 March 2017	<u><u>37,092</u></u>	<u><u>4,179</u></u>	<u><u>188,513</u></u>		<u><u>229,784</u></u>

HEREFORDSHIRE MIND

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2018

5 Charitable activities

	2018 £	2017 £
Grants/ contracts with Local Authorities & Statutory Bodies		
Herefordshire Primary Care Trust - Residential Home	277,868	276,618
Herefordshire Primary Care Trust - Intensive Support	117,517	117,399
Herefordshire District Council - Community Support	2,724	2,241
Student Loan Company	-	10,874
2gether NHS Foundation Trust - Miller Court	40,000	-
Social Investment Business Grant - Miller Court	16,200	-
	<u>454,309</u>	<u>407,132</u>
Other incoming resources from charitable activities		
Residential and nursing home fees	311,880	274,076
Housing rents	-	40,233
Contributions from service users	29	818
Miller court fees	201,461	-
Disposal of assets	-	30
	<u>513,370</u>	<u>315,157</u>
	<u>967,679</u>	<u>722,289</u>
Analysis by fund		
Unrestricted funds	951,479	722,289
Restricted funds	16,200	-
	<u>967,679</u>	<u>722,289</u>
For the year ended 31 March 2017		
Unrestricted funds		<u>722,289</u>
		<u>722,289</u>

6 Investments

	Unrestricted funds	Total
	2018 £	2017 £
Interest receivable	39	208
	<u>39</u>	<u>208</u>

HEREFORDSHIRE MIND

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2018

7 Activities for generating funds

	2018	2017
	£	£
Fundraising events	3,811	10,171
Occasional use of rooms	-	9,464
Domicillary Care	79,352	81,118
Student placements	6,109	5,880
Sale of client work	225	46
	<hr/>	<hr/>
Activities for generating funds	89,497	106,679
	<hr/> <hr/>	<hr/> <hr/>

8 Raising funds

	Unrestricted funds £	Designated funds £	Restricted funds £	Total 2018 £	Total 2017 £
<u>Fundraising and publicity</u>					
Staff costs	25,535	-	-	25,535	13,875
Depreciation and impairment	-	-	1,436	1,436	5,372
Support costs	2,719	-	-	2,719	570
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
Fundraising and publicity	28,254	-	1,436	29,690	19,817
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
<u>Trading costs</u>					
Other trading activities	830	-	-	830	3,957
Support costs	145	-	-	145	62
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
Trading costs	975	-	-	975	4,019
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
	29,229	-	1,436	30,665	23,836
	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>
For the year ended 31 March 2017					
Fundraising and publicity	570	3,936	15,311		19,817
Trading costs	4,019	-	-		4,019
	<hr/>	<hr/>	<hr/>		<hr/>
	4,589	3,936	15,311		23,836
	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>		<hr/> <hr/>

HEREFORDSHIRE MIND

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2018

9 Charitable activities

	Recovery and wellbeing £	Community Support/ Housing £	Residential Homes £	Intensive Support/ Domcare £	Total 2018 £	Total 2017 £
Personnel	91,422	68,597	746,000	83,327	989,346	746,062
Property	6,582	4,531	67,972	390	79,475	73,886
Catering/ Consumables	5	26	17,335	162	17,528	18,467
Transport	-	1,674	3,848	-	5,522	5,996
Depreciation/ Other	3,342	10,993	75,822	815	90,972	180,663
Herefordshire PCT	-	-	44,482	-	44,482	61,984
Loan interest	-	-	179,657	-	179,657	-
	<u>101,351</u>	<u>85,821</u>	<u>1,135,116</u>	<u>84,694</u>	<u>1,406,982</u>	<u>1,087,058</u>
Share of support costs (see note 10)	10,384	8,656	117,448	8,543	145,031	155,338
Share of governance costs (see note 10)	555	463	6,279	457	7,754	16,986
	<u>112,290</u>	<u>94,940</u>	<u>1,258,843</u>	<u>93,694</u>	<u>1,559,767</u>	<u>1,259,382</u>
Analysis by fund						
Unrestricted funds	55,631	93,515	1,228,652	93,694	1,471,492	
Restricted funds	56,659	1,425	30,191	-	88,275	
	<u>112,290</u>	<u>94,940</u>	<u>1,258,843</u>	<u>93,694</u>	<u>1,559,767</u>	
For the year ended 31 March 2017						
Unrestricted funds	28,060	39,135	844,693	203,186		1,115,074
Designated funds	506	-	-	-		506
Restricted funds	124,598	1,422	17,782	-		143,802
	<u>153,164</u>	<u>40,557</u>	<u>862,475</u>	<u>203,186</u>		<u>1,259,382</u>

HEREFORDSHIRE MIND

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2018

10 Support costs

	Support costs	Governance costs	2018	2017	Basis of allocation
	£	£	£	£	
Staff costs	124,062	-	124,062	125,390	Proportional to direct costs
Property	2,168	-	2,168	4,363	Proportional to direct costs
Administration	21,521	-	21,521	36,106	Proportional to direct costs
Audit fees	-	6,914	6,914	6,360	Governance
Other governance costs	-	984	984	737	Governance
	<u>147,751</u>	<u>7,898</u>	<u>155,649</u>	<u>172,956</u>	
Analysed between					
Fundraising	2,720	144	2,864	632	
Charitable activities	145,031	7,754	152,785	172,324	
	<u>147,751</u>	<u>7,898</u>	<u>155,649</u>	<u>172,956</u>	

11 Trustees

None of the Trustees (or any persons connected with them) received any remuneration or benefits from the Charity during the year. No trustees received re-imbursed expenses (2017 - none).

12 Employees

The average monthly number employees during the was 54 being 11 full time and 43 part time appointments (2017: 53 employees being 11 full time and 42 part time appointments)

Employment costs	2018	2017
	£	£
Wages and salaries	831,348	717,964
Social security costs	54,099	42,423
Other pension costs	11,312	8,380
	<u>896,759</u>	<u>768,767</u>

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

HEREFORDSHIRE MIND

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2018

13 Net gains/(losses) on investments

	Unrestricted funds	Restricted funds	Total 2018	Total 2017
	£	£	£	£
Revaluation of investment properties	355,083	7,978	363,061	-
For the year ended 31 March 2017	-	-	-	-

14 Transfers

Funds totalling £1,098 have been released from designated funds to unrestricted funds to support the Wellskilled project.

15 Tangible fixed assets

	Freehold land and buildings	Fixtures and fittings	Computers	Total
	£	£	£	£
Cost				
At 1 April 2017	3,157,610	125,393	95,564	3,378,567
Additions	136	-	-	136
Disposals	-	(1,268)	(5,205)	(6,473)
Transfer to investment property	(2,351,602)	-	-	(2,351,602)
At 31 March 2018	806,144	124,125	90,359	1,020,628
Depreciation and impairment				
At 1 April 2017	181,704	40,611	43,998	266,313
Depreciation charged in the year	7,078	22,386	17,862	47,326
Eliminated in respect of disposals	-	(1,268)	(5,205)	(6,473)
Transfer to investment property	(14,663)	-	-	(14,663)
At 31 March 2018	174,119	61,729	56,655	292,503
Carrying amount				
At 31 March 2018	632,025	62,396	33,704	728,125
At 31 March 2017	2,975,906	84,782	51,566	3,112,254

HEREFORDSHIRE MIND

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2018

16 Investment property

	2018
	£
Fair value	
At 1 April 2017	-
Transfer from tangible fixed assets	2,336,939
Net gains or losses through fair value adjustments	363,061
	<u> </u>
At 31 March 2018	<u>2,700,000</u>

Following the closure of Miller Court as an operation facility and the decision taken to sell, the freehold property has been leased. That tenant or a further third party may ultimately acquire the property. Miller Court has, therefore, been reclassified as investment property. The fair value of the investment property has been arrived at on the basis of a valuation carried out in September 2017 by Knight Frank Chartered Surveyors, who are not connected with the Charity. The valuation was made on an open market value basis by reference to market evidence of transaction prices for similar properties.

17 Financial instruments

	2018	2017
	£	£
Carrying amount of financial assets		
Debt instruments measured at amortised cost	93,259	17,812
	<u> </u>	<u> </u>
Carrying amount of financial liabilities		
Measured at amortised cost	2,290,467	1,931,417
	<u> </u>	<u> </u>

18 Debtors

	2018	2017
	£	£
Amounts falling due within one year:		
Trade debtors	84,230	17,576
Other debtors	9,029	236
Prepayments and accrued income	2,947	2,890
	<u> </u>	<u> </u>
	<u>96,206</u>	<u>20,702</u>

HEREFORDSHIRE MIND

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2018

19 Loans and overdrafts

	2018 £	2017 £
Bank loans	2,204,237	1,848,024
Payable within one year	304,628	73,024
Payable after one year	1,899,609	1,775,000
Amounts included above which fall due after five years:		
Payable by instalments	-	88,048

The long-term loans are secured by fixed charges over all of the freehold properties held by the Charity.

The long term loans are made up of:

a) Big Issue Invest amounting to £186,582 which is inclusive of £13,423 interest charged in the year. The terms require interest to be repaid until January 2018, with the remaining period to maturity in March 2024 being repayable as equal monthly capital and interest repayments. Interest is charged at 10.5%: and;

b) Big Issue Invest amounting to £117,416 which is inclusive of £8,949 interest charged in the year. The terms require interest to be repaid until January 2018, with the remaining period to maturity in March 2024 being repayable as equal monthly capital and interest repayments. Interest is charged at 10.5%: and;

c) Other loans included from the Big Issue Social Enterprise Investment Fund amounting to £1,900,239 which is inclusive of £155,091 interest charged in the year. The terms of the loan are that they will accrue interest at 9.75% until they become repayable in April 2017, at which point interest of 9.75% and capital repayments will be made.

By agreement with the financiers no repayments have been made in the year, interest continued to accrue at the specified rates.

Subsequent to the year end, the terms of the loans have been re-negotiated. Repayment terms have been varied to which allows improvement to the cash flow of the charitable company and the outstanding liability will be considered to be non-interest bearing.

HEREFORDSHIRE MIND

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2018

20 Creditors: amounts falling due within one year

	Notes	2018 £	2017 £
Bank loans	19	304,628	73,024
Other taxation and social security		13,818	14,672
Deferred income	22	4,633	4,669
Trade creditors		32,666	24,159
Other creditors		3,057	26,270
Accruals and deferred income		50,507	32,964
		<u>409,309</u>	<u>175,758</u>

21 Creditors: amounts falling due after more than one year

	Notes	2018 £	2017 £
Bank loan	19	<u>1,899,609</u>	<u>1,775,000</u>

22 Deferred income

	2018 £	2017 £
Other deferred income	<u>4,633</u>	<u>4,669</u>

Deferred income is included in the financial statements as follows:

	2018 £	2017 £
Current liabilities	<u>4,633</u>	<u>4,669</u>
	<u>4,633</u>	<u>4,669</u>

Deferred income represents amounts received in advance of the provision of services contracted and is released in the subsequent accounting period.

23 Retirement benefit schemes

Defined contribution schemes

The Charity operates a defined contribution pension scheme for all qualifying employees. The assets of the scheme are held separately from those of the Charity in an independently administered fund.

The charge to the statement of financial activities in respect of defined contribution schemes was £11,312 (2017 - £8,380)

Contributions due to the scheme at the balance sheet date are included in other creditors and amounted to £2,062 (2017 - £2,074).

HEREFORDSHIRE MIND

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2018

24 Restricted funds

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

	Movement in funds				Balance at 31 March 2018
	Balance at 1 April 2017	Incoming resources	Resources expended	Revaluations, gains and losses	
	£	£	£	£	£
Ferncroft	200,273	-	(1,430)	-	198,843
Ferncroft Housing Corporation Fund	105,052	-	(740)	-	104,312
Big MIND Appeal - Ferncroft	32,773	-	(262)	-	32,511
Big MIND Appeal - Heffernan	219,312	-	(1,422)	-	217,890
Wellbeing & Recovery Hereford	1,490	-	-	-	1,490
Wellbeing & Recovery Jordan Foundation	12,087	-	(11,188)	-	899
Big Lottery - Wellskilled	2,753	30,285	(33,038)	-	-
Art space	-	16,807	(3,287)	-	13,520
Sport England	550	-	-	-	550
Mind Grants	7,155	-	(1,436)	-	5,719
Shires	-	465	(148)	-	317
Get Set Go	9,149	-	(9,149)	-	-
Miller Court	51,351	-	(11,411)	7,978	47,918
Access Reach - Social Investment Business Grant	-	16,200	(16,200)	-	-
	<u>641,945</u>	<u>63,757</u>	<u>(89,711)</u>	<u>7,978</u>	<u>623,969</u>

HEREFORDSHIRE MIND

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2018

24 Restricted funds

(Continued)

The Ferncroft Funds represent grants received specifically for buying and improving the Ferncroft property.

The Big MIND Capital Appeal represents funds raised for the purchase and alteration of Heffernan House and for alterations to Ferncroft.

The Wellbeing & Recovery funds represent funding for the development of day care in the county.

The Wellbeing & Recovery Outreach Project, largely funded by the Jordan Foundation, gives assistance to service users to access and participate in educational and recreational courses.

Wellskilled, funded by the Big Lottery to provide learning opportunities.

Artspace, arts-based project funded by the Postcode Lottery and EF Bulmer Benevolent Fund.

Sport England funded development of the jogging club.

Mind grants funded pilot projects including work with Young People, Carers and European Communities.

The Get Set Go fund will predominately be used to cover the costs of local delivery of sport, taster sessions and events to engage people from across the spectrum of mental health needs; this project is funded by the Lottery.

Miller court - various grants received for the construction of Miller Court against which the relevant proportion of depreciation will be charged.

Access reach, restricted funding received from Social Investment Business in relation to Miller Court.

25 Designated funds

The income funds of the charity include the following designated funds which have been set aside out of unrestricted funds by the trustees for specific purposes:

	Movement in funds				Balance at 31 March 2018 £
	Balance at 1 April 2017 £	Incoming resources £	Resources expended £	Transfers £	
Development	9,910	74	-	(1,098)	8,886
	<u>9,910</u>	<u>74</u>	<u>-</u>	<u>(1,098)</u>	<u>8,886</u>

The development fund is legacy income re-designated to create an IT and development fund.

HEREFORDSHIRE MIND

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2018

26 Analysis of net assets between funds

	Unrestricted Funds £	Designated Funds £	Restricted Funds £	Total £
Fund balances at 31 March 2018 are represented by:				
Tangible assets	174,479	-	553,646	728,125
Investment properties	2,652,082	-	47,918	2,700,000
Current assets/(liabilities)	(146,991)	8,886	22,405	(115,700)
Non current assets/(liabilities)	(1,899,609)	-	-	(1,899,609)
	<u>779,961</u>	<u>8,886</u>	<u>623,969</u>	<u>1,412,816</u>

27 Operating lease commitments

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

	2018 £	2017 £
Within one year	1,694	1,694
Between two and five years	847	2,541
	<u>2,541</u>	<u>4,235</u>

The amount expensed in the year was £1,815 (2017 - £1,694).

28 Cash generated from operations

	2018 £	2017 £
Surplus/(deficit) for the year	9,057	(224,258)
Adjustments for:		
Investment income recognised in statement of financial activities	(39)	(208)
Accrued interest recognised in statement of financial activities	176,035	-
Fair value gains and losses on investment properties	(363,061)	-
Depreciation and impairment of tangible fixed assets	47,326	46,594
Movements in working capital:		
(Increase)/decrease in debtors	(75,504)	3,487
Increase/(decrease) in creditors	3,373	(142,113)
(Decrease)/increase in deferred income	(36)	241
Cash absorbed by operations	<u>(202,851)</u>	<u>(316,257)</u>