

Registered charity no. 211091

together
WORKING FOR WELLBEING

Together: Working for Wellbeing
Annual report and financial statements
For the year ended 31st March 2007

Company Registration Number: 463505



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Trustees' report

Legal and administrative information

Charity name	Together: Working for Wellbeing
Charity registration number	211091
Company registration number	463505

Registered office	12 Old Street London EC1V 9BE Tel 020 7780 7300 Fax 020 7780 7301 Email contactus@together-uk.org www.together-uk.org
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Trustees

Julia Ross
Richard Kirby
Stuart Aaron, MBE
Dr David Cohen FRSM
Mary Hancock BA
Dr Andy Kent
Mark Nicholls (to 20th September 2006)
Albert Larmie MSc RMN DipHSM DipPM
Dr William Obomanu
David Rimington
Mark Vincent BSc MA RMN RGN CertEd
RNT
Edward Weiss
Anneke Westra
Sue Young

Chair
Honorary Treasurer

Company Secretary

Gil Hitchon to 27 October 2006
then Anne Oates

Corporate Management Team

Liz Felton from 6 November 2006
Gil Hitchon to 27 October 2006
Anne Oates from 4 September 2006
Fred Moore to 15 August 2006
Norma Clayton
Anne Beales
John McKelvie
Helen Murray-Sharpe

Chief Executive

Director of Finance and Central Support

Director of Human Resources
Director of Service-user Involvement
Operational Director
Operational Director

Auditors

haysmacintyre, Fairfax House, 15 Fulwood Place, London WC1V 6AY

Bankers

National Westminster bank Plc (RBS), 20 Dean Street, London W1A 1SX

Solicitors

Trowers and Hamblins, Sceptre Court, 40 Tower Hill, London EC3N 4DX

Trustees' report

About Together – structure, governance and management

Together's governing document

The organisation was founded in 1879 and has been incorporated since 1949 as a company limited under guarantee not having any share capital. It is registered in England, registered company number 463505. It is also a registered charity (number 211091) and operates under the Companies Act 1985 and the Charities Acts 1992 and 1993. It currently operates throughout England. The governing documents of the organisation are its memorandum of association and articles of association.

Our vision and mission

Together is a leading national charity working for wellbeing: that means we support people with mental health needs to get what they want from life and to feel happier. We do this by:

- running a range of services across the country
- campaigning and doing research
- educating local communities about their own mental health needs.

In everything we do we are inspired and guided by the hopes and wishes of the people we support, which are fed into our management structure through our unique directorate of service-user involvement.

Our vision is of communities that:

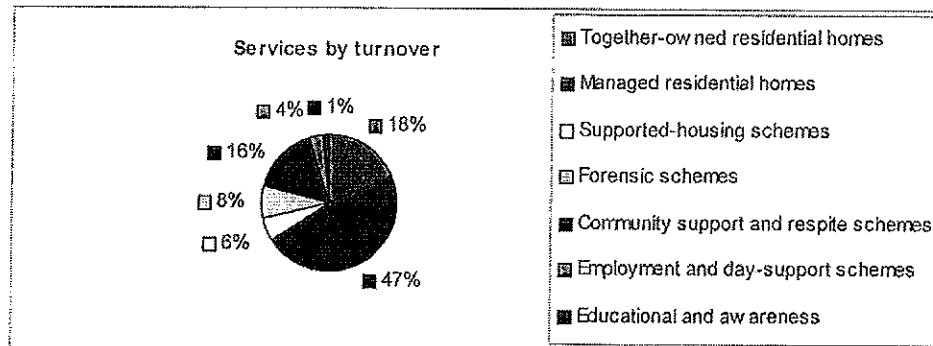
- value mental wellbeing
- respect and support each person's individual journey towards fulfilment and happiness

Our mission is to support individuals and communities to:

- achieve mental wellbeing
- realise their potential.

Our main activities

Our major focus is the provision of support services for people with mental health needs, many of them enduring and/or complex. The chart below shows that volume of the different types of service we provide, by turnover. Over the past year we have helped more than 3,500 people through these services.



Trustees

The directors of the company are also charity trustees for the purposes of charity law. Our trustees are recruited through national advertising and shortlisted candidates are formally interviewed by the chair, chief executive and trustees with expertise related to the vacancies under consideration. Suitable candidates are then recommended to the trustees with a view to co-option, pending formal recommendation for election by members at the next annual general meeting (AGM).

Up to 20 trustees may be appointed and the aim is to retain an appropriate balance of skills given the diverse nature of the organisation's work. There is no time limit to the period for which an individual trustee may serve in total, but at each AGM one third of trustees must stand for re-election (the particular individuals required to stand being determined by the date of their last election). All new trustees are provided with an induction pack that comprises all the formal documents relating to the governance of Together, along with relevant Charity Commission publications and other guidance. They are also directed to formal training courses that are designed to meet the needs of new trustees and provided with support from an experienced trustee during their early months in office. The process is kept under regular review. Trustees are kept updated on current good practice, formal guidance and training opportunities through regular mailings from Together's human resources directorate.

At our AGM the following trustees put themselves up for re-election: Albert Larmie, David Rimington, Mary Hancock and Mark Vincent. All of them were appointed for a further three years. Mark Nicholls, one of our long-standing trustees, stood down as a trustee on 20 September 2006, and we would like to thank Mark for his valuable contribution over the seven years that he has been with us.

Our current trustees come from a range of backgrounds, including finance, legal and health and social care. Further details about our trustees and their expertise can be found on our website at www.together-uk.org/trustees.

Organisational structure

Together's trustees meet six times a year. In addition there is a Care Standards Committee and a Finance and Audit Committee, each comprised of trustees with relevant expertise. Both of these meet quarterly and report back to full Trustee Board regularly.

The chief executive reports to the trustees and is supported by a group of senior managers who comprise the corporate management team. These are:

- Director of Finance and Central Support Services
- Director of Human Resources
- Director of Service-user Involvement
- two Operational Directors.

The trustees, through standing orders, have delegated most aspects of the day-to-day management of the organisation to the corporate management team.

Risk management

A risk register was established some years ago and is reviewed by trustees at least annually. This year the trustees conducted a review of all the major risks to which the charity is exposed, and approved the processes in place for their mitigation.

The way we work

The modern mental health world is a rapidly changing place and looks set to remain so. It offers an exciting challenge to deliver real improvements for individuals from the ever more complex policy environment. Recent white papers, 'Our Health, Our Care, Our Say', 'Healthier Communities' and 'Stronger Prosperous Communities' promote 'choice' and 'personalisation' in approaches to care and support. These offer opportunities for our organisation and for individuals, as well as further change and Together must, along with other modern mental health organisations, engage fully with these. The challenge to maintain our independence, to innovate and find ways to improve lives remains amid new commissioning structures, strong competition in our market and the need to be cost-effective. Opinion about the role of voluntary sector organisations in the provision of public services is diverse and it is up to us to see that our involvement is first and foremost about creating value for individuals who use mental health services.

The wellbeing approach

Together's fundamental belief that everyone deserves the chance of an 'ordinary' life is as relevant today as it was 128 years ago when our organisation was founded. People want lives as well as good mental health services and our relationship with service-users is based on this. The aspirations of people who use mental health services are so often about ordinary things like having their own home, a social life, getting a job and having something interesting to do. It is the individual attaining these in the way they wish that we have come to call 'wellbeing'.

Our goal is to support people to achieve wellbeing, and this requires us to identify a range of different approaches and engage with a broad spectrum of agencies that can help.

Key role for service-users

Most importantly, partnership with service-users as leaders is the vital component in how Together intends to achieve its aims in future; recognising that it is the expertise that comes from personal experience that is the real way to bring about change.

Together has adopted this principle in planning for continuous improvement in its services, in promoting individual choice and the outcomes that service-users want and we will continue to do so. We will work alongside service-users in key roles to define what 'wellbeing' means for them and to support them to achieve it. We will see that, in all we do, service-users are treated with respect and given the freedom and choices that should go with being a citizen.

Flexibility and innovation

We will adapt our models of service where needed to support the different needs and aspirations of the people who use them, and to develop new models that can deliver a truly personalised approach to care and support. We will support individuals to exercise personal choice in how they receive services.

Specifically, we want to explore opportunities to pilot innovative models designed by service-users. We also believe we have something to offer for people who have higher support needs, and that we can provide relevant services that promote dignity and choice in high-care environments.

Restructuring

To prepare for the future, we have made some internal changes to our management structure in recent months to:

- consolidate our support functions in our head office in Old Street
- create a national team in operations delivering and expanding our services around the country
- integrate our service-user involvement and marketing and communications teams into a new directorate that aims to create the greatest synergy between the experience of service-users and our external messages.

It has been necessary to reduce our overhead costs and, with regret, it has been necessary to make several redundancies to achieve this. We wish all the staff affected by this well for the future.

New appointments

Over the past year, there have been some changes to our corporate management team too. Our chief executive, Gil Hitchon retired from the organisation in October 2006 after 23 years service, ten of them as chief executive. He made an enormous contribution to securing Together's future as a modern, forward-looking mental health charity. He was succeeded by Liz Felton.

In addition to the change in the chief executive position, Helen Murray-Sharpe joined as regional director for North and Midlands, (now director of operations) and Anne Oates joined as director of finance and central support services.

We intend to recruit a new chair of trustees in time for our AGM in the autumn of 2007.

Looking to the future

Together has a culture that values innovation and entrepreneurial spirit along with a wish to collaborate. Success in our future agenda will be helped by this approach. In an uncertain and rapidly changing environment, we believe that being flexible and quick to respond are important qualities to be nurtured. We aim to have the confidence to try new ways of working, develop new partnerships and bring these together with our reputation for expert, professional service delivery.

We aim to continue to create and design more individualised services for people as part of our approach in current services as well as in the development of new service models.

We expect to engage with a wide range of partners in the voluntary, public and private sectors in understanding that the provision of support services needs to span a broad spectrum of need and that the issues facing service-users cannot be put in neat boxes that agencies can divide up and manage; individuals need us to manage a more complex scenario than that if they are to achieve wellbeing in their lives.

We will work with other mental health organisations and the broader health and voluntary sectors in order to influence an expansion of the positive role played by the mental health voluntary sector where this supports our core values and the expressed wishes of service users.

Key achievements 2006/7

The following pages list some of our key successes in the financial year 2006/7.

Delivering for people who access mental-health services

This year we have:

- been instrumental in the setting up of the **National Survivor User Network**, a new independent national organisation for local and regional service-user groups in mental health – find out more at www.nsun.org.uk
- introduced a comprehensive training programme for people who access our services, covering areas such as assertiveness and self-esteem, emotional intelligence and wellbeing, understanding the mental health system, and the history of the survivor movement – find out more at www.together-uk.org/leadership-training
- set up a **financial literacy project** to support people who access our services to budget and manage their money – find out more at www.together-uk.org/financial-literacy
- secured funding to deliver free training in the new **Mental Capacity Act** – find out more at www.together-uk.org/training.

Transforming mental health services

This year we have:

- continued to champion new, flexible and highly-individualised means of supporting people through our personal-development, social-inclusion and community bridge-builder services, which are extremely popular with those who use them
- cemented our position as the top provider of independent advocacy services in secure mental-health settings by securing the contract to run the patients' advocacy service at **Broadmoor Hospital**, alongside our existing services at Rampton and Ashworth – find out more at www.together-uk.org/advocacy
- extended the scope of our London forensic mental health services, by appointing a forensic mental health practitioner to work inside Wandsworth Prison – find out more at www.together-uk.org/wandsworth~fmhp
- taken over what is our first registered mental-nursing home, Green Lane, in Addlestone, Surrey – find out more at www.together-uk.org/green~lane.

Delivering for our working partners

This year we have:

- increased the number and range of partner organisations with whom we work, for example through our membership of the **Safer Societies Partnership**, which will give us the opportunity to support ex-offenders who have mental health needs
- played a leading role in the **Mental Health Providers Forum**, and to promote the values of the sector through our membership of bodies such as the NHS Confederation.

Delivering for local communities

This year we have:

- published research into the problems associated with stress in the workplace and set up our own **Wellbeing for Work consultancy** offering companies advice in how to prevent stress among their employees – find out more at www.together-uk.org/expertise
- continued to **reshape our day services** – such as those we run in Hastings, Sittingbourne and Sheerness – as community resource centres that encourage the people who use them to engage with the communities in which they live, and help to break down the stigma associated with mental distress
- published **Talking about Mental Health**, a very popular booklet that helps explain mental distress to the general public by challenging the jargon and medical terminology associated with it and suggesting plain English alternatives – find out more at www.together-uk.org/talking~about.

Delivering for our workforce

This year we have:

- held a highly successful **national conference** for staff and people who access our services explaining the ideas behind our unique wellbeing-based approach to service delivery
- maintained the success of our in-house **NVQ assessment centre**, in the second half of 2006 achieving the qualification of 18 care candidates, four assessors and an internal verifier, our highest numbers to date
- established a **union-recognition agreement** with UNISON
- moved into a **new national office** in Old Street, London.

Delivering high quality

This year we have:

- continued to deliver services of the highest quality. In our annual satisfaction survey of our partners and people who use our services (which was based on data received from 4,832 respondents), 83 per cent of service-purchasers thought that our services were excellent or good, and 90 or service-users rated them as excellent, good or very good
- started a pilot scheme that will train people who use our services to evaluate those services.

Delivering efficiently

This year we have:

- restructured the organisation to secure its financial future and ensure that we work in the most efficient manner. This involved taking our communications, fundraising and external affairs functions into our directorate of service-user involvement, and reorganising the management of our operational services.

Spreading the word

This year we have:

- held an open day at our new national office in east London, which attracted almost 500 people
- maintained our role as a core member of the Mental Health Alliance grouping (which exists to argue against the proposed reform of the Mental Health Act – find out more at www.mentalhealthalliance.org.uk)
- set up Our Space, an arts space and gallery in our new national office that aims to showcase art by people with experience of mental distress. It also aims to break down stigma associated with mental distress by providing an affordable exhibition space to artists from outside the mental-health sector – find out more at www.together-uk.org/our-space
- published practical 'how to' guides to various aspects of service-user involvement based on our experience and expertise in this field – find out more at www.together-uk.org/service~user~publications.

Financial review

The trustees feel that, despite the poor financial results in 2006/07, Together's financial position remains strong. On unrestricted funds the charity made a deficit for the year of £576,345 (2005/6 surplus £376,059). On restricted funds there was a surplus of £207,809 (2005/6 £820,514) making a net deficit of £368,536 (2005/6 surplus £1,196,573). The deficit on unrestricted funds was caused by operating losses on some of our contract activities and by the costs of the restructure programme already mentioned. The programme was put in place to ensure that our cost base matches our strategic objectives and better reflects our income, and this will ensure greater financial stability for the future.

Last year's surplus on restricted funds included a grant of £750,000 to purchase a property. The remainder of that year's surplus on restricted funds and the whole of this, represents expenditure still to be incurred on services for which donations and grants have already been included in income.

The operating deficit on unrestricted funds was partly offset by investment gains and a favourable movement on the pension fund, resulting in a net reduction of £301,261 in unrestricted funds carried forward which now amount to £3,930,298. Because of our investment in various properties, which are held on the balance sheet at depreciated cost, Together remains in a relatively strong financial position, but there is a need to build up general reserves as explained below.

Key performance indicators

	2007	2006	2005	Target
Liquidity ratio (current assets to current liabilities)	1.0	1.2	1.4	1.0
Income growth (%)	5.3	8.0	5.8	6.0
Free reserves (weeks)	2.5	4.6	4.6	6.0

Detailed financial information can be found on pages 14 to 28.

Reserves

Financial reserves policy

Together's reserves policy aims to ensure that the organisation can maximise the value of its net income without incurring unnecessary risk.

The general reserves provide a degree of protection to Together to militate against changing financial circumstances, such as downturn in income or unscheduled additional expenditure. Over recent times, Together has been rebuilding its reserves. The policy is reviewed in a strategic context annually, alongside annual budgets, aiming at establishing an appropriate level of general reserves to meet potential short to medium-term needs.

General reserves (unrestricted)

At 31 March 2007 general reserves amounted to £1,080,175 (2005/06: £1,774,534). The trustees have approved a policy for the organisation of having general reserves of approximately six weeks' unrestricted expenditure. Current levels are 2.5 weeks' of unrestricted expenditure (2005/06: 4.6 weeks) and our aim is to increase general reserves to the agreed level as soon as possible.

Designated funds (unrestricted)

Designated funds (£2,384,123) are those unrestricted funds that are annually approved by trustees for particular purposes. The breakdown of current designated funds is as follows:

- investment reserve of £407,914 reflects unrealised investment gain
- fixed assets of £1,712,996 represents the investment in fixed assets
- property improvement reserve of £79,825 set aside for the refurbishment of properties owned and managed by Together. The fund designated is based on 5 to 10 per cent of net incoming resources for the year
- innovations fund of £83,707 used for the piloting and evaluation of new types of services. The fund designated is based on 3 to 6 per cent of net incoming resources for the year
- IT fund of £96,994 is earmarked for future investment in information and communications technology. The fund designated is based on 2 to 4 per cent of net incoming resources for the year
- Kennedy Fund £1,179
- Brewis Trust £1,508.

Restricted and endowment funds

These funds can only be used for the purposes for which they were given. They represent unspent monies received from donors subject to conditions specified by them. These funds may arise because of restrictions on their use required by the donor at the time of receipt, or because the funds were collected in a public appeal to raise money for a particular purpose. Detailed analysis of the various restricted funds is set out in note 19.

Investments powers and performance

The trustees, under the powers conferred to them by the Memorandum and Articles of Association 3b(k), appointed UBS Wealth (UK) Management four years ago, and gave them discretionary powers. As a measure of performance, the rate of income return on investment was set at 4 - 5 %, and the capital return to be not less than the All Share Index. These targets are reviewed quarterly by the Finance and Audit Committee and annually with UBS Wealth Management (UK). The next review date is summer 2007.

The trustees aims in investing funds continue to be to:

- act as a reserve to protect core activities in the event of unforeseen income shortfalls
- support longer term identifiable projects

- generate income to support core services not funded.

The investment fund as at 31 March 2007 was £1,844,488, an increase of £29,233 (2005/06: £239,728). Interest and dividend income in the year amounted to £197,643 (2005/06: £186,029). The capital and income performance remained stable over the year.

Portfolio structure

	2007	2006
	%	%
Equity	61.1	60.6
Fixed interest	37.0	33.9
Cash	1.9	5.5

Pensions

The accounts as presented include the full adoption of accounting standard FRS 17. In accordance with paragraph 355 of the SORP 2005, a pension surplus reported (FRS 17) has been added to the funds of the charity.

Together's pension is a UK-based defined benefit scheme, providing benefits at retirement and on death-in-service. The net present value (surplus) of the pension scheme at 31 March 2007 is £466,000, compared with £161,000 at 31 March 2006. The last tri-annual valuation report (1 April 2005) showed a small surplus of £90,000, however, the trustees have implemented the advice of the actuaries and have increased the total contribution from 11.7 per cent to 16 per cent. The trustees currently consider that the continuing strong performance of the investment portfolio, the increase in total contribution rate implemented this year and the changes implemented to the pension scheme investment are sufficient to anticipate that future valuations would show a surplus.

Financial control and monitoring

The Finance and Audit Committee monitors and reviews all aspects of the financial performance, financial management reporting, internal financial control, including, in particular, the preparation and monitoring of revenue and capital budgets and quarterly managements accounts including key performance indicators. It also deals with such other matters as may be specifically delegated to it by trustees.

Financial position

The trustees consider that there are sufficient reserves held at the year-end to avoid an unacceptable level of disruption to the organisation in the event of a downturn in future income, and that there is a reasonable expectation that Together has adequate resources to continue in operational existence for the foreseeable future. For this reason, the trustees continue to adopt the going-concern basis in preparing the accounts.

Trustees' responsibilities

The trustees are responsible for preparing the annual report and the financial statements in accordance with applicable law and 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 charitable company and of its profit or loss for that period. In preparing those financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently
- make judgements and estimates that are reasonable and prudent
- state whether applicable standards have been followed, subject to any material departures disclosed and explained in the financial statements
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The trustees are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the charitable company and to enable them to ensure that the financial statements comply with the Companies Act 1985. 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.

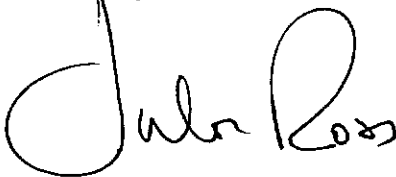
So far as each of the trustees is aware at the time the report is approved:

- there is no relevant audit information of which the charitable company's auditors are unaware
- the trustees have taken all steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditors are aware of that information.

Auditors

At the last AGM it was agreed to undertake a tender process for the provision of audit services from 2007/8. Therefore, in accordance with Section 385 of the Companies Act 1985, a resolution proposing the appointment of auditors of the company will be put to the AGM.

Signed by order of the trustees

A handwritten signature in black ink, appearing to read 'Julia Ross', written over a horizontal line.

Julia Ross, chair of Together
27 June 2007

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF TOGETHER WORKING FOR WELLBEING

We have audited the financial statements of Together: Working for Wellbeing for the year ended 31 March 2007 which comprise the statement of financial activities, the balance sheet, the cash flow statement, and the related notes. These financial statements have been prepared under the accounting policies set out therein.

This report is made solely to the charitable company's members, as a body, in accordance with Section 235 of the Companies Act 1985. Our audit work has been undertaken so that we might state to the charitable company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charitable company and the charitable company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of trustees and auditors

As described in the statement of trustees' responsibilities above, the charity's trustees are responsible for the preparation of the financial statements in accordance with applicable law and United Kingdom accounting standards (United Kingdom generally accepted accounting practice). The trustees are also directors of Together: Working for Wellbeing for the purposes of company law.

Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and international standards on auditing (UK and Ireland).

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

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

Basis of audit opinion

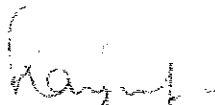
We conducted our audit in accordance with International Standards on Auditing (UK and Ireland) issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the financial statements. It also includes an assessment of the significant estimates and judgements made by the trustees in the preparation of the financial statements, and of whether the accounting policies are appropriate to the 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 financial statements are free from material misstatement, whether caused by fraud or other irregularity or error. In forming our opinion we also evaluated the overall adequacy of the presentation of information in the financial statements.

Opinion

In our opinion, the financial statements:

- give a true and fair view, in accordance with United Kingdom generally accepted accounting practice, of the state of the charitable company's affairs as at 31 March 2007 and of its incoming resources and application of resources in the year then ended
- have been properly prepared in accordance with the Companies Act 1985
- the information included in the trustees' report is consistent with the financial statements.


haysmacintyre
Registered auditors
Fairfax House
15 Fulwood Place
London
WC1V 6AY

27 June 2007

Statement of financial activities
(incorporating an income and expenditure account)
for the year ending 31 March 2007

	Notes	Unrestricted funds £	Restricted funds £	Total 2007 £	Total 2006 £
Incoming resources					
Incoming resources from generated funds:					
Voluntary income					
Subscriptions, donations & legacies	8	114,500	394,284	508,784	1,117,193
Grant income	9	-	254,163	254,163	249,310
Investment income	11	197,643	-	197,643	186,029
Incoming resources from charitable activities:	10	20,334,669	41,000	20,375,669	19,276,405
Other incoming resources	12	882,406	-	882,406	700,975
Total incoming resources		21,529,218	689,447	22,218,665	21,529,912
Resources expended					
cost of generating funds:					
Cost of generating voluntary income	3	274,469	-	274,469	261,452
Investment management cost		15,018	-	15,018	2,548
Charitable activities	2	21,766,236	481,638	22,247,874	20,032,540
Governance costs	4	49,840	-	49,840	36,799
Total resources expended		22,105,563	481,638	22,587,201	20,333,339
Net incoming resources before other recognised gains and losses		(576,345)	207,809	(368,536)	1,196,573
Other recognised gains and losses					
Realised gains on investment		32,495	-	32,495	132,609
Unrealised investment gains		6,589	-	6,589	91,773
Net gains on investment assets	14	39,084	-	39,084	224,342
Actuarial gains on defined benefit pension scheme	20	236,000	-	236,000	262,000
Net movement in funds		(301,261)	207,809	(93,452)	1,682,915
Reconciliation of funds:					
Total funds brought forward as previously stated		4,231,559	1,050,451	5,282,010	3,599,095
Total funds carried forward		3,930,298	1,258,260	5,188,558	5,282,010

All income and expenditure is derived from continuing activities. The charity has no other recognised gains and losses other than the results for the above financial years.

Balance sheet

as at 31 March 2007

	Notes	£	2007 £	£	2006 £
Fixed assets					
Tangible assets	13		4,544,949		4,311,966
Investments	14		1,844,488		1,815,255
			<u>6,389,437</u>		<u>6,127,221</u>
Current assets					
Debtors	15	908,763		1,004,927	
Cash at bank and in hand		2,513,846		2,822,820	
		<u>3,422,609</u>		<u>3,827,747</u>	
Creditors: amounts falling due within one year	16	(3,385,500)		(3,267,375)	
Net current assets			37,109		560,372
Creditors: amounts falling due after more than one year	17		(1,703,988)		(1,566,583)
Net assets excluding pension asset			4,722,558		5,121,010
Defined benefit pension scheme asset	20		466,000		161,000
Net assets			<u>5,188,558</u>		<u>5,282,010</u>
Funds					
<i>Unrestricted funds</i>					
Designated	18		2,384,123		2,296,025
General	18		1,080,175		1,774,534
Unrestricted funds excluding pension reserve			3,464,298		4,070,559
Pension reserve	20		466,000		161,000
	19		1,258,260		1,050,451
Restricted funds					
Total charity funds			<u>5,188,558</u>		<u>5,282,010</u>

Approved by the Board of Trustees on 27 June 2007

.....
JULIA ROSS
Chair

.....
RICHARD KIRBY
Honorary Treasurer

Cash-flow statement

for the year ending 31 March 2007

	Notes	£	2007 £	£	2006 £
	A				
<i>Net cash (outflow)/inflow from operating activities</i>			(53,409)		1,123,649
Capital expenditure and financial investment					
Purchase of tangible fixed assets		(430,974)		(3,005,103)	
Purchase of investments		(116,644)		(470,498)	
Sale of investments		137,069		455,112	
			(410,549)		(3,020,489)
Financing					
Debt due beyond a year					
New secured loan		240,160		1,362,269	
Repayment of loan capital		(85,176)		(29,146)	
Servicing of loan finance		-		163,420	
			154,984		1,496,543
Net cash (outflow)	B		(308,974)		(400,297)
			2007 £		2006 £
A. Reconciliation of net (outgoing)/incoming resources to net cash inflow from operating activities					
Net (outgoing)/incoming resources			(368,536)		1,196,573
Depreciation charges			197,991		162,497
(Increase)/decrease in debtors			96,164		(179,578)
Increase in creditors			89,972		218,157
Pension adjustment			(69,000)		(274,000)
Net cash (outflow)/inflow from operating activities			(53,409)		1,123,649
B. Analysis of changes in cash – net funds during the year					
Net funds at 1 April 2006			2,822,820		3,223,117
Net cash (outflow)			(308,974)		(400,297)
Net funds at 31 March 2007			2,513,846		2,822,820
C. Analysis of net funds as at 31 March 2007					
Cash at bank and in hand			2,513,846		2,822,820

Notes to the accounts

for the year ending 31 March 2007

1. Accounting policies

- (a) The accounts are prepared under the historical cost convention with the exception of investments as stated below and in accordance with applicable accounting standards and the Statement of Recommended Practice (2005) on Accounting and Reporting by Charities.

Together is taking advantage of the exemption conferred by Section 248 of the Companies Act 1985 from the requirement to prepare group accounts on the grounds that in the opinion of the trustees consolidation of Together Trading Limited would have an immaterial effect.

- (b) Tangible assets are included at cost, less depreciation calculated in equal instalments estimated to reduce cost to residual value over their useful life as follows:

Freehold properties	40 years from 1 January 1970 or later date of expenditure
Fixtures and fittings	10 years
Office equipment	3 years
Items are only capitalised if they are £1,000 or more.	

- (c) Investments are stated at market value as at 31 March. The Statement of Financial Activities therefore includes unrealised gains and losses arising from the changes in market value throughout the year and also realised gains and losses for investment sold in the year, where the net disposal value is different from market value, as at the beginning of the year.

- (d) Income and Expenditure

Income is accounted for on receivable basis.

Legacy income is recognised when the estate accounts are finalised and the cash received.

All grants receivable are treated as income. Where grants are received specifically to finance a particular cost they are credited to the cost centre.

Investment income is recognised when the amounts are due.

Accommodation income is recognised when the amounts are due.

All expenditure is accounted for on an accruals basis and has been classified under headings that aggregate all costs related to that category. Where costs cannot be directly attributed to particular headings they have been allocated to activities on the basis consistent with the use of resources. Central overhead costs are allocated to operational functions on the basis of their use.

Support costs, which include the central and regional office functions are allocated across the categories of charitable expenditure.

Governance costs are the costs associated with the governance arrangements of the charity, which relate to the general running of the Charity. Included in this category are costs associated with the strategic as opposed to day-to-day management of the charity's activities.

- (e) General funds comprise accumulated surpluses and deficits after transfer to Designated funds.

Designated funds are amounts that have been put aside at the discretion of the trustees.

Restricted funds are subject to restrictions imposed by the donors.
Refer to notes 18 and 19 for further details.

- (f) Together is not liable to UK corporation tax on its charitable activities.

- (g) Leases

Assets held under finance leases and other similar contracts which provide for rights approximating to ownership are treated as if purchased outright and the capital elements of these obligations are recorded as liabilities. The charge to the SOFA is represented by depreciation, which is charged in line with the charity's accounting policy, and interest. The interest is spread over the lease period in order to provide for a constant periodic charge on the balance of capital repayments outstanding. The aggregate rentals payable for operating leases are expensed in annual instalments over the term of the leases including any initial rent-free period.

- (h) Pension costs

Together operates a defined benefit pension scheme for employees. The assets of the scheme are held separately from those of Together in a fund independently administered. Refer to trustee report for further information.

2. Charitable activities

	Direct costs £	Support costs £	2007 Total £	2006 Total £
Provision of mental-health services:				
Together-owned residential homes	3,420,047	880,379	4,300,426	3,929,378
Managed residential homes	8,102,533	2,297,209	10,399,742	9,478,342
Supported-housing schemes	983,281	250,936	1,234,217	1,094,770
Forensic schemes	1,324,062	289,721	1,613,782	1,412,173
Home support and respite schemes	2,753,889	702,340	3,456,229	3,029,854
Employment and day schemes	619,621	169,160	788,781	747,563
Educational and awareness	371,517	83,179	454,696	340,460
	<u>17,574,950</u>	<u>4,672,924</u>	<u>22,247,874</u>	<u>20,032,540</u>

Allocation of support cost:

The support cost includes the regional offices costs, finance and IT, human resources and chief executives office. The basis of cost allocation used is the % turnover generated by each charitable activity.

	% T/O	Regional Offices	CEO	HR	Finance & central support	2007 Total £	2006 Total £
Together owned residential homes	18.84	278,816	150,767	160,952	289,844	880,379	566,925
Managed residential homes	49.16	727,527	393,401	419,980	756,301	2,297,209	1,678,656
Supported housing schemes	5.37	79,471	42,973	45,877	82,615	250,936	179,950
Forensic schemes	6.20	91,755	49,615	52,967	95,384	289,721	212,308
Home support and respite schemes	15.03	222,431	120,277	128,403	231,229	702,340	529,615
Employment and day schemes	3.62	53,573	28,969	30,926	55,692	169,160	124,149
Educational and awareness	1.78	26,343	14,245	15,1207	27,384	83,179	10,237
	<u>100</u>	<u>1,479,916</u>	<u>800,247</u>	<u>854,312</u>	<u>1,538,449</u>	<u>4,672,924</u>	<u>3,301,840</u>

3. Cost of generating voluntary income

	2007 £	2006 £
Fundraising	207,313	193,160
Publicity	67,156	68,292
	<u>274,469</u>	<u>261,452</u>

4. Governance costs

	2007 £	2006 £
External audit	13,043	12,426
Trustees expenses	180	451
Legal and professional services	36,617	23,922
	<u>49,840</u>	<u>36,799</u>

5. Movement in total funds for the year

	2007 £	2006 £
This is stated after charging:		
Operating lease cost		
Plant and machinery	10,675	10,675
Other	275,215	270,865
Audit	13,043	12,426
Depreciation	197,991	162,497

6. Staff Costs

	2007 £	2006 £
Wages and salaries	13,911,737	12,749,392
Social security costs	1,257,538	1,172,628
Pension costs (see Note 20)	426,663	39,000
	<u>15,595,938</u>	<u>13,961,020</u>

No employee earned £80,000 or more in the year 2007.

Number of employee with salary range	2007	2006
£70,000-£80,000	0	1
£60,001-£70,000	0	1
£50,000-£60,000	0	2

Changes in the corporate management team during the year (see organisational structure) have resulted in no individual member of staff earning more than £50,000 during the year.

The average number of employees including part time workers, analysed by function, was:

	2007	2006
Mental-health services	751	739
Fundraising and publicity	9	5
Management and administration of the charity	29	18
	<u>789</u>	<u>762</u>

7. Related party transaction

Two trustees were reimbursed expenses of £180 during the year (2006: £Nil).

No remuneration was paid in the year to any trustee (2006: £Nil).

One trustee is a partner in a firm of solicitors that provides legal services to Together.

Transactions are all carried out at arms length and during the year totalled £84,161 (2006: £40,112).

8. Voluntary and donation income

	Unrestricted Income £	Restricted Income £	Total 2007 £	Total 2006 £
Subscriptions, donations & Legacies	114,500	394,284	508,784	367,193
Green Lane property payment	-	-	-	750,000
	<u>114,500</u>	<u>394,284</u>	<u>508,784</u>	<u>1,117,193</u>

Included in subscriptions and donations above are funds from The Big Lottery for West Suffolk Befriending of £11,468 and Northern Service User Involvement of £57,957.

9. Grants

	2007 £	2006 £
Department of Health – Supporting Carers Better	35,000	99,359
Department of Health – Comm. Bridge Builder	50,000	-
Department of Health – IMCA	10,000	-
European Social Fund	97,163	72,278
SEDC	31,000	-
SEDC	31,000	-
Other	-	77,673
	<u>254,163</u>	<u>249,310</u>

10. Incoming resources from charitable activities

	2007 £	2006 £
From local auth, health auth. & NHS trusts	10,024,834	8,893,036
Grant from probation services	259,220	145,743
Spot/outreach income	324,279	261,670
Supported Housing Management Grant	30,403	278,335
Supporting people	2,658,639	2,707,720
Partnership adjustment	300,000	100,000
Charges for accommodation and services	6,778,294	6,889,901
	<u>20,375,669</u>	<u>19,276,405</u>

11. Investment income

	2007 £	2006 £
Interest and dividends received	<u>197,643</u>	<u>186,029</u>

12. Other incoming resources

	2006 £	2005 £
Net return on pension scheme assets and liabilities	163,000	68,000
Other Income	719,406	632,975
	<u>882,406</u>	<u>700,975</u>

13. Tangible fixed assets

	Freehold land and buildings £	Furniture and equipment £	Total £
Cost:			
At 1 April 2006	5,040,910	1,050,138	6,091,048
Additions	353,676	77,298	430,974
As at 31 March 2007	<u>5,394,586</u>	<u>1,127,436</u>	<u>6,522,022</u>
Depreciation:			
At 1 April 2006	1,003,626	775,456	1,779,082
Charge for the year	145,133	52,858	197,991
At 31 March 2007	<u>1,148,759</u>	<u>828,314</u>	<u>1,977,073</u>
Net book value at 31 March 2007	<u>4,245,827</u>	<u>299,122</u>	<u>4,544,949</u>
Net book value at 31 March 2006	<u>4,037,284</u>	<u>274,682</u>	<u>4,311,966</u>

Designated fixed asset reserve

(Refers to how designated fixed asset reserve is calculated)

	£	£
Net book value as at 31 March 2007		4,544,949
Bank loans	1,884,987	
Restricted grants and other	946,966	
		(2,831,953)
		<u>1,712,996</u>

14. Investments

	2007 £	2006 £
Listed investments, at market value:		
At 1 April 2006	1,793,136	1,553,408
Additions	116,644	470,498
Disposals	(139,750)	(455,112)
Net investment gains	39,084	224,342
	<u>1,809,114</u>	<u>1,793,136</u>
At 31 March 2007		
Portfolio structure:		
Equity	1,126,781	1,100,839
Fixed interest	682,333	692,297
	<u>1,809,114</u>	<u>1,793,136</u>
Listed investments		
Cash holdings	35,374	22,119
	<u>1,844,488</u>	<u>1,815,255</u>
At 31 March 2007		
Historical cost at 31 March 2007	<u>1,436,574</u>	<u>1,413,929</u>

Investments contributing 5% or more to the market value of the portfolio

	2007 £	2006 £
Equities		
Caledonia Investments	92,970	-
Law Debenture Corp	92,312	-
Fixed Interest		
B&W Deposit		100,000

15. Debtors

	2007 £	2006 £
Trade debtors	700,931	790,980
Prepayments, accrued income and others	207,832	213,947
	<u>908,763</u>	<u>1,004,927</u>

16. Creditors: amounts falling due within one year

	2007 £	2006 £
Bank loans (see below)	180,999	163,420
Trade creditors	1,432,206	424,482
Other creditors including taxes and social security costs	564,823	404,550
Accruals	566,128	681,505
Deferred income	296,982	949,056
Partnership adjustments	344,362	644,362
	<u>3,385,500</u>	<u>3,267,375</u>

Other creditors include £371,377 for PAYE and National Insurance contributions (2006: £355,627)

17. Creditors: amounts falling due after one year

	2007 £	2006 £
Bank loan- Cavendish Road	190,366	204,314
Bank loan- Old Street	1,273,462	1,362,269
Bank loan- Old Street (2)	240,160	-
	<u>1,703,988</u>	<u>1,566,583</u>

The organisation has three bank loans, one for the purchase of Cavendish Road residential home and the others for the purchase and refurbishment of 12 Old Street (national office). The Cavendish Road loan is repayable over 13 years, with 10 years remaining and an interest rate fixed for 10 years at 6.59%. The first national office loan is repayable over 13 years, fixed at 4.81 %. The second national office loan is repayable over 6.25 years, fixed at 6.72%. The loans are secured on the above properties. The loans are secured on the above properties.

18. Unrestricted funds

	April 2006 £	Incoming resources/ transfers £	Expenditure transfers/ revaluations £	March 2007 £
Investment reserves	401,325	6,589	-	407,914
Fixed assets reserves	1,610,356	-	102,640	1,712,996
Property improvement reserves	79,825	-	-	79,825
Innovations fund	104,822	-	(21,115)	83,707
Information technology	96,994	-	-	96,994
Kennedy Fund	1,186	-	(7)	1,179
The Brewis Trust Funds	1,517	-	(9)	1,508
Total designated funds	2,296,025	6,589	81,509	2,384,123
General fund	1,774,534	21,934,497	(22,628,856)	1,080,175
Pension reserve	161,000	305,000	-	466,000
Funds as at 31 March 2007	<u>4,231,559</u>	<u>22,246,086</u>	<u>(22,547,347)</u>	<u>3,930,298</u>

The investment reserve reflects the unrealised investment gain.

The fixed assets reserve reflects Together's resources invested in fixed assets which is not easily released unless assets are disposed of.

The property improvement reserve is set aside for capital repairs and general improvement of Together's own homes. (5%-10% of net incoming resources for the year)

The innovations fund is used for the financing of the development of innovative services. (3%-6% of net incoming resources for the year)

The information technology fund has been set aside for the upgrading of Information Systems (2%-4% of net incoming resources for the year)

19. Restricted funds

	Balance at 31 March 2006	Movements in resources: incoming	Transfers And outgoing	Balance at 31 March 2007
	£	£	£	£
The Yorkshire Holiday Fund	2,242	-	-	2,242
The Lottery Fund – N S U I	38,973	57,957	(65,557)	31,373
Department of Health SCB	-	35,000	(35,000)	-
European Social Fund	-	97,163	(97,163)	-
Carisbrooke (SRB) Grant	221,606	-	(5,890)	215,716
Project Services Grants	15,781	96,084	(82,315)	29,550
Green Lane Property	750,000	-	(18,750)	731,250
HBOS	21,849	33,000	(20,715)	34,134
Wandsworth Prison Outreach	-	40,000	(40,000)	-
The Lottery Fund – W Suffolk	-	11,468	(968)	10,500
Department of Health – Comm BB	-	50,000	(46,866)	3,134
National Survivors User Network	-	80,775	(10,119)	70,656
London Advocacy	-	86,000	(27,895)	58,105
South East Development	-	31,000	-	31,000
South East Development	-	31,000	(13,400)	17,600
Mental Health Partnerships	-	40,000	(17,000)	23,000
Funds as at 31 March 2007	1,050,461	689,447	(481,638)	1,258,260

Yorkshire Holiday Fund; provided for Leeds Community Support project to provide holidays for service users

The Lottery Fund Northern Service User Involvement; grant received for the provision of service user involvement services

Department of Health SCB; grant received for the provision of carer support and service user involvement

European Social Fund; for the provision of training at Prospects in Essex

Carisbrooke (SRB) Grant & Green Lane Property; these funds match the contingent liability for the repayment of grants used to purchase property (see note 22)

Project Service Grants; various donations for the provision of client services

HBOS; grant from Halifax Bank of Scotland for the provision of financial advice to clients

Wandsworth Prison outreach; grant for providing support to people with mental health needs who are about to leave Wandsworth prison

The Lottery Fund West Suffolk; grant received to develop the nucleus of 5 Self-Help Groups in their localities

Department of Health Comm BB; grant received to enable us to provide an individually tailored package to support the transition for people from mental health support services back into ordinary community activities

National Survivors User Network: Tudor Trust / Comic Relief joint funded initiative establishing a service-user national network over the next five years

London Advocacy; established by Bridge Builder Trust topped up with a donation from Gwyneth Forrester Trust to provide a post to coordinate service user inclusion activity with London

South East Development; used to establish two services, one providing a post to co-ordinate service user forums with Surrey, and a second for a service user forum in Sussex

Mental Health Partnership; to support a post coordinating service user inclusion activity in England.

20. Pension scheme

The organisation contributes to a defined benefit scheme, the Together Working for Wellbeing Pension scheme (the scheme), which is administered by Scottish Widows with Origen providing an advisory service. The group life benefits are with Legal & General. The scheme provides benefit based on final pensionable pay. The scheme is funded by assets that are held by trustees of the scheme separately from the assets of the organisation.

The latest tri-annual valuation of the scheme was carried out in 2005 and showed the market value of the scheme's assets to be £5,667,000 being sufficient to cover 105 per cent of the benefits accrued to members.

FRS17

A qualified independent actuary has updated the results of the last actuarial valuation of the scheme (as at 1 April 2005) to 31 March 2007; the major assumptions used by the actuary were as follows:

	2007	2006	2005
Actuarial assumptions used:	%	%	%
Discount rate	5.3	4.9	5.4
Retail price inflation	3.1	2.9	2.8
Salary increases rate	4.3	4.1	4.8
Pensions increases (at limited price indexation)	3.1	2.9	2.8
Deferred pension revaluation	3.1	3.0	3.0

Scheme assets and liabilities:

The fair value of the scheme's assets, which are not intended to be realised in the short term and may be subject to significant change, and the present value of the scheme's liabilities, which are derived from the cash flow projections over long periods and are thus inherently uncertain, were:

Analysis of the amount recognised in statement of financial activities

	2007 Expected rate of return % pa	2007 Value £000	2006 Expected rate of return % pa	2006 Value £000	2005 Expected rate of return % pa	2005 Value £000
Assets:						
Equities	7.8	5,642	7.4	5,944	7.7	3,901
Bonds	5.1	1,610	4.7	1,320	4.8	1,171
Other	5.1	957	4.7	170	4.8	544
		<u>8,209</u>		<u>7,434</u>		<u>5,616</u>
Present value of the scheme liability		<u>(7,743)</u>		<u>(7,273)</u>		<u>(5,991)</u>
Net present value of scheme asset/(liabilities)		<u>466</u>		<u>161</u>		<u>(375)</u>

	2007 £000	2006 £000
Actual return less expected return on assets	-	1,142
Experience gains/ (losses)	(268)	(185)
Changes in assumptions	504	(695)
	<u>236</u>	<u>262</u>

Analysis of the amount charged to statement of financial activities

	2007 £000	2006 £000
Current service cost	542	364
Less employees contribution	(116)	(122)
Settlements or curtailment	-	(203)
Total charge	<u>426</u>	<u>39</u>

Analysis of the amount credited to pension finance income

	2007 £000	2006 £000
Expected return on the Scheme assets	519	392
Interest on the Scheme liabilities	(356)	(324)
Net return on scheme assets and liabilities	<u>163</u>	<u>68</u>

History of experience gains and losses

	2007	2006	2005	2004	2003
Difference between actual and expected return on assets (£000's)	0	1,142	102	542	(156)
- as % of scheme assets	0	15	2	11	(35)
Experience gains/(losses) on liabilities (£000's)	(268)	(185)	(271)	258	764
- as % of liabilities	3	3	(5)	5	16
Total amount recognised in the Statement of Financial Activities	236	262	(93)	448	(1,287)
- as % of liabilities	3	4	(2)	9	(27)

Movements in scheme's surplus/(deficit) in the year

	2007	2006
	£000	£000
Surplus/(deficit) at the start of year	161	(375)
Current service cost	(542)	(364)
Contributions	448	367
Settlements/curtailments	-	203
Net return on scheme assets and liabilities	163	68
Actuarial gain/(loss)	236	262
Surplus at the end of the year	<u>466</u>	<u>161</u>

21. Obligations under operating leases

Annual commitments for non-cancellable operating leases are as follows:

	Land & building 2007 £	Others 2007 £	Land & building 2006 £	Others 2006 £
Operating leases which expire:				
Within one year	-	-	281,540	10,675
In two to five years	-	-	26,280	-
Over five years	-	-	26,280	-
	<u>-</u>	<u>-</u>	<u>334,100</u>	<u>10,675</u>

22. Contingent liability

Carisbrooke House is financed by a grant £233,783 received from the Single Regeneration Body (SRB) that is repayable upon Together disposing of the property or not using the property as agreed by the SRB.

North Surrey PCT provided a capital grant of £750,000 for the purchase of Green Lane. The market value of the property must be surrendered if Together ceases to run the service.

23. Analysis of net assets between funds

	General fund	Designated funds	Restricted funds	Pension reserve	Total funds
	£	£	£	£	£
Tangible fixed assets	1,841,801	3,600,670	946,966	-	6,389,437
Cash at bank and in hand	1,534,112	668,440	311,294	-	2,513,846
Other net current liabilities	(2,295,738)	(180,999)	-	-	(2,476,737)
Creditors of more than one year	-	(1,703,988)	-	-	(1,703,988)
Pension asset	-	-	-	466,000	466,000
	<u>1,080,175</u>	<u>2,384,123</u>	<u>1,258,260</u>	<u>466,000</u>	<u>5,188,558</u>