

TOGETHER: WORKING FOR WELLBEING

ANNUAL REPORT AND FINANCIAL STATEMENTS

For the year ended 31 March 2008

Together: Working for Wellbeing
12 Old Street
London
EC1V 9BE

T 020 7780 7300
F 020 7780 7301
<http://www.together-uk.org>

Charity Registration Number: 211091
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

Trustees

Julia Ross (until 26th February 2008) Chair (until 26th February 2008)
Professor Antony Sheehan (from 14th November 2007) Chair (from 26th February 2008)
Richard Kirby Honorary Treasurer (until 14th November 2007)
Edward Weiss Honorary Treasurer (from 14th November 2007)
Stuart Aaron MBE
Dr David Cohen FRSM
Mary Hancock BA
Dr Andrew Kent
Albert Larmie MSc RMN DipHSM DipPM
Dr William Obomanu
David Rimington (until 14th November 2007)
Mark Vincent BSc MA RMN RGN CertEd RNT
Anneke Westra
Sue Young

Company Secretary

Anne Oates

Corporate Management Team

Liz Felton	Chief Executive
Anne Oates	Director of Finance and Central Support
Norma Clayton	Director of Human Resources
Anne Beales	Director of Service-user and External Affairs
John McKelvie	Director of Operations
Helen Murray-Sharpe	Director of Operations

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 Hamlins, 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 Strategic Vision – User Leadership and Wellbeing

Together's vision is based on the view that human beings have the capacity and resilience to overcome adversity – people with experience of mental health issues are often especially expert in this. We believe that everyone has the potential for and the right to an ordinary life. We demonstrate the strength of our belief through our continued investment in our service user directorate and in offering opportunities for involvement and leadership to people using mental health services both inside Together and externally.

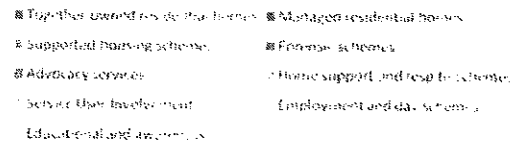
Our Mission

Together works alongside people to improve mental health and wellbeing and to promote hope.

Our Main Activities

Our main focus is the provision of support services for people with mental health needs. The chart below shows the volume of the different types of service we provide by turnover. Over the past year we have helped more than 3,500 people through our services.

Services by Turnover



Trustees

The directors of the company are also charity trustees for the purposes of charity law. Our trustees are recruited through national advertising and short listed 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 trustees must stand for re-election at the third AGM following that of their 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.

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.

At our 2007 AGM, Professor Antony Sheehan was elected as a new trustee and the following trustees put themselves up for re-election and were appointed for a further period of three years: Stuart Aaron, David Cohen, Andrew Kent, Richard Kirby, Edward Weiss and Anneke Westra. David Rimington stood down as a trustee.

Trustee Officers

During the year, Richard Kirby stood down as Honorary Treasurer after many years' sterling service and was replaced by Edward Weiss. We would like to thank Richard for the enormous contribution he has made to Together. Edward is a Chartered Accountant who was for many years a Finance Director of Chubb and then became a Commissioner of the Criminal Cases Review Commission. He is now associated with the Criminal Injuries Compensation Authority and is a member of the Appeals Panel of the Institute of Chartered Accountants.

We were sad to say goodbye to Julia Ross who stood down as Chair. Julia had been Chair of Together since December 1999 and has carried out her role with great skill and dedication. We are extremely appreciative of her efforts and achievements.

The trustees were delighted to appoint Antony Sheehan as our new Chair. Antony has a wealth of experience in the field of mental health and has won huge respect for his work over the years. We are honoured that he agreed to take on the role of Chair and excited about our future with him.

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 the 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 Directors of Operations

The trustees 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

Together's greatest asset is the skill and dedication of its staff and volunteers as well as the increasing numbers of service user trainees and volunteers who are involved in our work. The contribution that everyone makes is what makes us unique and enables us to deliver on our commitment to putting individuals in charge of the support they receive.

Our real passion is our determination that we will work alongside people to create the opportunities and the outcomes that matter to them and which help them live an ordinary life.

Together's approach to wellbeing stems from our historic belief that everyone deserves an ordinary life. Wellbeing breaks down barriers because it is relevant to everyone, and credits experience as valuable. Wellbeing is also individual and personal in how it is defined.

It is a style of support that promotes health, resilience and hope. It supports 'ordinariness' and happiness in a way the individual defines via ordinary practical actions involving local communities. It promotes health, reduces stigma and builds individual capacity.

Together works as a partnership between people who use services and staff – deciding things together starting with the wishes of people who use services, informed by their experience.

There is shared leadership in policy direction and in our work in practice. We actively encourage people who use our services (and others with personal experience) to play other roles in our organisation. User leadership emphasises partnership to gain and maintain wellbeing. It is about having choices, your views being understood and acted on together.

Together works collaboratively with a range of different organisations across the health and social care sector. Together's staff and people using services are active in a variety of external fora providing our views and helping to influence broader change in the lives of people who use services.

Key Achievements

We are delivering consistently in line with the expectations and wishes of the people who use our services with over 90% feeling that they are benefiting from the service. Over 94% of the people using our services report that they feel that our staff listen to them.

For the commissioners of our services, the vast majority believe that our services represent value for money. 80% of our staff feel that Together actively supports their wellbeing.

We are delighted at having gained the Investors in People award this year. This demonstrates the commitment made to developing the skills and knowledge of our employees to best deliver the charity's aims and objectives.

Our NVQ centre continues to achieve excellent results. We were rated A in the Care Evaluation this year. As of October 2008, we have forty-five active NVQ Level 3 Health and Social Care candidates registered at the assessment centre and eight A1 (assessor) candidates. We currently have eight NVQ Level 4 candidates inducted at the centre for the first time and the centre will be seeking approval from City and Guilds to offer the Leadership and Management for Care Services award, which replaces the Registered Managers Award. (The RMA is currently purchased externally.)

We are about to pilot an approach to quality audit in our services where service users will act as auditors and work with staff to assess the quality of the services and make plans for improving and developing them.

We are proud to have continued to support the National Survivor User Network (NSUN) in its formative years. NSUN brings together groups in England that are run by service users and survivors of mental health services. During the year the Network has built its membership, developed its services to members and formed partnerships with a number of other agencies. It has contributed to a range of mental health events. For the future, NSUN wishes to become fully independent and has, as one of its priorities, a commitment to reach those individuals in the mental health system whose voices are least heard.

Having made a financial loss overall in the previous year, we have succeeded in reducing

our overhead costs significantly by consolidating our central support functions in London and Leeds. We have delivered our contracted services within budget and demonstrated value for money.

Early in the year, as part of our re-structuring, we created a small fund-raising, communications and marketing team. Within this, we have reached our fundraising targets and are building the foundations for expanding fundraising from voluntary sources.

We have won a number of new service contracts, in particular expanding our day and community services along with our first contract to provide STR (support, time and recovery) workers.

We have successfully worked as key members of a number of consortia to gain contacts and deliver services, for example in Suffolk and Lancashire.

Together is the provider of advocacy services in all three of the NHS special hospitals and we are proud of our achievements here and the accolades we have received for these services in the most challenging of environments.

We have worked alongside people who use services to modernise the approach of those services to better reflect the changing expectations of the people who use them. The service users and staff at our long-established care home in Swindon have achieved real success following many months of planning to move to new, purpose built, self-contained flats. Here people using the service will have their own front door along with access to support when they require it.

In March 2008, we ran our first ever Wellbeing Week where service users and staff across the country engaged in a range of activities based on health and wellbeing. We plan to repeat this event in future years.

We delivered training courses around the country in partnership with the Department of Health to prepare for the introduction of

the Mental Capacity Act. These events were delivered jointly by staff and people who use services and were very well received.

We have broadened our contribution to a range of debates on mental health through our input to fora such as the NHS Confederation's Mental Health network.

We are active members of Mental Health Providers' Forum – embracing and supporting the expanding role of our sector in delivering improved outcomes for people who experience mental health issues.

Looking to the Future

We have recently reviewed our strategy to ensure that we respond, innovate and keep the wishes of individuals uppermost in the plans that we make.

Our plans for the future put service user leadership at the heart of how we deliver our services as well as how we run our organisation.

Our intentions are also to ensure that we are outward facing, that we seek partnerships and improve the way we communicate. We will continue to review our services in line with the needs and expectations of people who use them and we will promote our work clearly so as to improve access.

We will pay attention to our financial position, to our workforce and our buildings in order to build strong foundations for the future. We are investing in development capacity and in quality and management information systems.

Over the coming year, we will expand our fundraising capacity as the first step to generating income from a more diverse range of sources. We have embarked on a review of the charity's governance so that this will be well equipped to address the challenges the future will bring.

In the longer-term, we aim to embrace a future that views mental health as a whole

population health issue instead of an illness issue affecting a small minority of individuals who are stigmatised as a result. We will work closely with people who use services to ensure our approaches to support develop in line with their choices and expectations.

We know that people want lives as well as good mental health services – it is time to deliver on this.

We are committed to making a contribution to championing the work of our sector so that its expertise is used to bring about change that will result in better lives for people who experience mental health issues.

Financial Review

The trustees are pleased by the financial results for 2007/8. On unrestricted funds the charity made a surplus for the year of £1,022,038 (2006/7 deficit £576,345). On restricted funds there was a surplus of £1,563,538 (2006/7 £301,261) making a combined surplus of £2,585,576 (2006/7 deficit £368,536). This year we felt the benefit of the restructure programme put in place last year. The programme was designed to ensure that our cost base matches our strategic objectives and better reflects our income, and to ensure greater financial stability for the future.

This year's surplus on restricted funds included two grants totalling £1,550,000 to purchase two properties. The remainder of the year's surplus on restricted funds represents expenditure still to be incurred on services for which donations and grants have already been included in income.

The operating surplus on unrestricted funds benefitted from a favourable movement on the pension fund. However this was partly offset by investment losses resulting in a net increase of £1,022,038 in unrestricted funds carried forward which now amount to £4,952,336. 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.

Performance

	2008	2007	2006
Liquidity ratio (current assets to current liabilities)	1.25	1.0	1.2
Income growth (%)	5.32	5.3	8.0
Free reserves (weeks)	4.02	2.5	4.6

Detailed financial information can be found on pages 11 to 23.

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 mitigate against changing financial circumstances, such as a downturn in income or unscheduled additional expenditure. During the year, 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 2008 general reserves amounted to £1,576,939 (2006/7: £1,080,175). The trustees have approved a policy for the organisation of having general reserves of approximately six weeks' unrestricted expenditure. Current levels are 4.02 weeks of unrestricted expenditure (2006/7: 2.5 weeks) and our aim is to increase general reserves to the agreed level as soon as possible.

Designated Funds (Unrestricted)

Designated funds (£2,573,397) 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 £269,254 reflects unrealised investment gain.
- Fixed Assets reserve of £1,708,997 represents the net investment in fixed assets.
- Property Improvement reserve of £79,825 set aside for the refurbishment of properties owned and managed by Together.
- Innovations fund of £12,337 used for the piloting and evaluation of new types of services.
- IT fund of £96,994 is earmarked for future investment in information and communications technology.
- The Corporate Priorities fund of £320,000 was set aside by Trustees to meet expenditure planned for 2008/9 to enable Together to develop responses to changing funding programmes.
- Project Designated funds are specific amounts, £83,303, set aside at three projects for future repairs and training programmes.
- Kennedy Fund £1,179.
- Brewis Trust £1,508.

Restricted 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.

Investment Powers and Performance

The trustees appointed UBS Wealth (UK) Management four years ago as investment managers 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 2009.

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.

Total investments at 31 March 2008 amounted to £1,730,085, a reduction of £114,403 (2006/7: increase £29,233). Interest and dividend income in the year amounted to £175,029 (2006/7: £197,643). The capital and income performance remained stable over the year.

Portfolio Structure

	2008	2007
	%	%
Equity	61.9	61.1
Fixed interest	34.3	37.0
Cash	3.8	1.9

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 2008 is £802,000 compared with £466,000 at 31 March 2007. Although the scheme is reporting an increased surplus, trustees feel there are increasing levels of uncertainty for the scheme in the future. Consequently they are keeping the scheme under constant review. The latest triennial valuation is being conducted and trustees will undertake a detailed review of the recommendations of the actuary when they are received.

Financial Control and Monitoring

The Finance and Audit Committee monitors and reviews all aspects of financial performance, financial management reporting and internal financial control, including, in particular, the preparation and monitoring of revenue and capital expenditure and quarterly management accounts. 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

In accordance with Section 385 of the Companies Act 1985, a resolution proposing that haysmacintyre be re-appointed as auditors of the company will be put to the AGM.

Signed by order of the trustees



Antony Sheehan, Chair of Together
10 September 2008

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 2008 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 auditors' 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

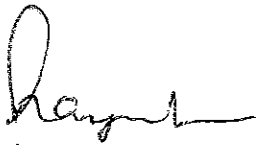
We conducted our audit in accordance with International Standards on Auditing (UK and Ireland) issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the financial statements. It also includes an assessment of the 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 2008 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

10 September 2008

Statement of Financial Activities

for the year ended 31 March 2008

	Notes	Unrestricted Funds £	Restricted Funds £	Total 2008 £	Total 2007 £
Incoming Resources:					
Incoming resources from generated funds					
Voluntary Income					
Subscriptions, Donations and Legacies	8	189,339	2,037,058	2,226,397	508,784
Grant Income	9	–	157,800	157,800	254,163
Investment Income	11	175,029	–	175,029	197,643
Incoming Resources from Charitable Activities					
Charges for Accommodation and Services	10	20,519,964	–	20,519,964	20,375,669
Other incoming resources	12	508,227	–	508,227	882,406
Total Incoming Resources		21,392,559	2,194,858	23,587,417	22,218,665
Resources Expended					
Cost of Generating funds:					
Cost of Generating Voluntary Income	3	91,079	–	91,079	274,469
Investment Management Costs		7,414	–	7,414	15,018
Charitable Activities	2	20,255,499	631,320	20,886,819	22,247,874
Governance Costs	4	42,727	–	42,727	49,840
Total Resources Expended		20,396,719	631,320	21,028,039	22,587,201
Net Incoming/Outgoing Resources before other recognised gains and losses		995,840	1,563,538	2,559,378	(368,536)
Other recognised gains and losses					
Realised Gains on Investment		35,858	–	35,858	32,495
Unrealised Investment (Losses)/Gains		(138,660)	–	(138,660)	6,589
Net Gain on Investment Assets	14	(102,802)	–	(102,802)	39,084
Actuarial gains on defined benefit pension scheme	20	129,000	–	129,000	236,000
Net Movement in Funds		1,022,038	1,563,538	2,585,576	(93,452)
Reconciliation of Funds					
Total funds brought forward as previously stated		3,930,298	1,258,260	5,188,558	5,282,010
Total funds carried forward		4,952,336	2,821,798	7,774,134	5,188,558


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.

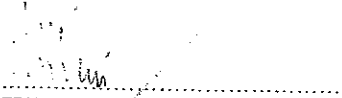
Balance Sheet

as at 31 March 2008

	Notes	2008	2007
		£	£
Fixed Assets:			
Tangible Assets	13	5,893,306	4,544,949
Investments	14	1,730,085	1,844,488
		<u>7,623,391</u>	<u>6,389,437</u>
Current Assets:			
Debtors	15	2,000,096	908,763
Cash at Bank and in Hand		1,769,783	2,513,846
		<u>3,769,879</u>	<u>3,422,609</u>
Creditors: Amount falling due within one year	16	(2,857,438)	(3,385,500)
Net current assets		912,440	37,109
Creditors: Amount falling due after more than one year	17	(1,563,698)	(1,703,988)
Net Asset excluding pension assets		6,972,134	4,722,558
Defined benefit pension scheme asset	20	802,000	466,000
Net Assets		<u>7,774,134</u>	<u>5,188,558</u>
FUNDS			
Unrestricted Funds			
Designated	18	2,573,397	2,384,123
General	18	1,576,939	1,080,175
Unrestricted Income Funds excluding Pension reserve		4,150,336	3,464,298
Pension Reserve	20	802,000	466,000
Restricted Funds	19	2,821,798	1,258,260
Total Charity Funds		<u>7,774,134</u>	<u>5,188,558</u>

Approved by the Council on 10 September 2008


 ANTONY SHEEHAN
 Chair


 EDWARD WEISS
 Honorary Treasurer

Cash-flow Statement

for the year ended 31 March 2008

	Notes	2008 £	2007 £
Net cash inflow/(outflow) from operating activities	A	989,682	(53,409)
Capital expenditure and financial investment			
Purchase of tangible fixed assets	(1,611,090)	(430,974)	
Purchase of investments	(189,056)	(116,644)	
Sale of investments	200,656	137,069	
Financing			
Debt due beyond a year		(1,599,491)	(410,549)
Secured Loan- 13 Year Mortgage			
Repayment of Loan Capital	–	240,160	
Servicing of loan finance	(134,253)	(85,176)	
		(134,253)	154,984
Net cash (outflow)	B	<u>(744,062)</u>	<u>(308,974)</u>
A. Reconciliation of net incoming resources to net cash inflow/(outflow) from operating activities			
		2008 £	2007 £
Net incoming resources		2,559,378	(368,536)
Depreciation charges		262,733	197,991
(Increase)/decrease in debtors		(1,091,333)	96,164
Increase/(decrease) in creditors		(534,097)	89,972
Pension adjustment		(207,000)	(69,000)
Net cash inflow/(outflow) from operating activities		<u>989,682</u>	<u>(53,409)</u>
B. Analysis of Changes in Cash – net funds during the year			
		2008 £	2007 £
Net funds at 1 April 2007		2,513,846	2,822,820
Net cash (outflow)		(744,062)	(308,974)
Net funds at 31 March 2008		<u>1,769,784</u>	<u>2,513,846</u>
C. Analysis of Net Funds as at 31 March 2008			
		2008 £	2007 £
Cash at bank and in hand		<u>1,769,784</u>	<u>2,513,846</u>

Notes to the Accounts

For the year ended 31 March 2008

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. The format of the accounts have been modified to comply in all material respects with 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 revaluation of the investment portfolio throughout the year. Disclosure is made within note 8 to the financial statements of the difference between the historic cost and the sales proceeds of the investments sold during the year. Expenditure on repairs and maintenance is written off as incurred.

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

(d) Installments on operating lease contracts are charged to the income and expenditure account when they become payable.

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

2. Charitable Activities

	Direct Cost £	Support Costs £	2008 Total £	2007 Total £
Provision of mental health services				
Together-owned residential homes	4,062,292	618,263	4,680,555	4,300,426
Managed residential homes	6,274,534	954,956	7,229,490	10,399,742
Supported-housing schemes	1,305,956	198,761	1,504,717	1,234,217
Forensic schemes	331,489	50,451	381,940	–
Advocacy services	824,673	125,511	950,184	1,613,782
Home support and respite schemes	2,340,204	356,167	2,696,371	3,456,229
Service User Involvement	673,001	102,428	775,429	–
Employment and day schemes	1,352,803	205,891	1,558,694	788,781
Educational and awareness	962,891	146,548	1,109,439	454,696
	<u>18,127,843</u>	<u>2,758,976</u>	<u>20,886,819</u>	<u>22,247,874</u>

2. Charitable Activities (continued)

Allocation of Support Cost

The Support Cost includes the Operational Management costs, Finance and IT, Human Resources and Chief Executive Office. The basis of cost allocation used is the % direct expenditure incurred by each charitable activity.

	% Direct Expenditure	Operational Management £	CEO £	HR £	Finance & Central Support £	2008 Total £	2007 Total £
Together-owned residential homes	22.41 %	241,916	87,769	144,107	144,471	618,263	880,379
Managed residential homes	34.61 %	373,658	135,567	222,584	223,147	954,956	2,297,209
Supported-housing schemes	7.20 %	77,772	28,216	46,328	46,445	198,761	250,936
Forensic schemes	1.83 %	19,741	7,162	11,759	11,789	50,451	289,721
Advocacy services	4.55 %	49,109	17,818	29,255	29,329	125,511	-
Home support and respite schemes	12.91 %	139,363	50,562	83,017	83,225	356,167	702,340
Service User Involvement	3.71 %	40,078	14,542	23,874	23,934	102,428	-
Employment and day schemes	7.46 %	80,562	29,228	47,990	48,111	205,891	169,160
Educational and awareness	5.31 %	57,342	20,804	34,158	34,244	146,548	83,179
	<u>100 %</u>	<u>1,079,541</u>	<u>391,668</u>	<u>643,072</u>	<u>644,695</u>	<u>2,758,976</u>	<u>4,672,924</u>

3. Cost of Generating Voluntary Income

	2008 £	2007 £
Fundraising	47,560	207,313
Publicity	43,519	67,156
	<u>91,079</u>	<u>274,469</u>

4. Governance Costs

	2008 £	2007 £
External Audit	13,513	13,043
Trustees' Expenses	1,649	180
Legal & Professional Services	15,893	36,617
Staff Costs	11,672	-
	<u>42,727</u>	<u>49,840</u>

5. Movement in Funds for the Year

This is stated after charging:

	2008	2007
	£	£
Operating lease cost		
Plant and machinery	11,850	10,675
Other	47,042	275,215
Audit	13,513	13,043
Depreciation	262,733	197,991

6. Staff Costs

	2008	2007
	£	£
Wages and Salaries	13,566,608	13,911,737
Social Security Costs	1,246,173	1,257,538
Pension Costs (see note 20)	311,615	426,663
	<u>15,124,396</u>	<u>15,595,938</u>

Number of employees within salary range:

	2008	2007
£90,001-£100,000	1	–
£80,001-£90,000	–	–
£70,001-£80,000	–	–
£60,001-£70,000	1	–
£50,000-£60,000	5	–

Changes in the corporate management team during 2007 resulted in no individual member of staff earning more than £50,000 during that year.

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

	2008	2007
Mental-health Services	718	751
Fundraising and Publicity	4	9
Management and Administration of the Charity	32	29
Governance	1	0
	<u>755</u>	<u>789</u>

7. Related Party Transactions

One trustee was reimbursed travelling expenses during the year amounting to £98, (2007: £180). No remuneration was paid in the year to any trustee (2007: £Nil).

One Trustee is a partner in Speechly Bircham, solicitors that provides certain legal services to Together and Together's pension scheme. Transactions are all carried out at arm's length and during the year totalled £36,822 (2007: £84,161).

8. Voluntary and Donation Income

	Unrestricted Income £	Restricted Income £	2008 Total £	2007 Total £
Subscriptions, Donations and Legacies	189,339	487,058	676,397	508,784
Hopewell House property receipt	–	900,000	900,000	–
Snowdon property receipt	–	650,000	650,000	–
	<u>189,339</u>	<u>2,037,058</u>	<u>2,226,397</u>	<u>508,784</u>

Included in subscriptions and donations above are funds from The Big Lottery for West Suffolk Befriending of £54,534 and Northern Service User Involvement of £24,108

9. Grants

	2008 Total £	2007 Total £
Department of Health – Supporting Carers Better	30,000	35,000
Department of Health – Comm. Bridge Builder	50,000	50,000
SEDC	32,000	62,000
SURREY PCT	25,000	–
Other	20,800	107,163
	<u>157,800</u>	<u>254,163</u>

10. Incoming Resources for Charitable Activities

	2008 Total £	2007 Total £
From Local Auth, Health Auth & NHS trusts	10,792,377	10,024,834
From Other Vol. Agencies	69,369	–
From Probation	263,028	259,220
Spot/Outreach Income	295,748	324,279
Supporting People	2,366,128	2,689,042
Partnership Adjustment	344,362	300,000
Charges for accommodation and services	6,388,952	6,778,294
	<u>20,519,964</u>	<u>20,375,669</u>

11. Investment Income

	2008 Total £	2007 Total £
Interest and Dividends Received	175,029	197,643

12. Other Incoming Resources

	2008 Total £	2007 Total £
Net return on pension scheme assets and liabilities	176,000	163,000
Other Income	332,227	719,406
	<u>508,227</u>	<u>882,406</u>

13. Tangible Fixed Assets

	Freehold Land and Buildings £	Furniture and Equipment £	Total £
Cost:			
At 1 April 2007	5,394,587	1,127,435	6,522,022
Additions	1,565,851	45,239	1,611,090
At 31 March 2008	<u>6,960,438</u>	<u>1,172,674</u>	<u>8,133,112</u>
Depreciation:			
At 1 April 2007	1,148,760	828,313	1,977,073
Charge for the year	207,341	55,392	262,733
At 31 March 2008	<u>1,356,101</u>	<u>883,705</u>	<u>2,239,806</u>
Net book value at 31 March 2008	<u>5,604,337</u>	<u>288,969</u>	<u>5,893,306</u>
Net book value at 31 March 2007	<u>4,245,827</u>	<u>299,122</u>	<u>4,544,949</u>

Designated fixed asset reserve (Refers to how designated fixed asset reserve is calculated)

Net book value as at 31 March 2008	£	£
Bank Loans		5,893,306
Restricted Grants	1,750,733	
	2,433,576	
		<u>(4,184,309)</u>
		<u>1,708,997</u>

14. Investments

	2008 £	2007 £
Listed investments, at market value		
At 1 April 2007	1,809,114	1,793,136
Additions	189,056	116,644
Disposal proceeds	(231,341)	(139,750)
Net investment (loss)/gain	<u>(102,802)</u>	<u>39,084</u>
At 31 March 2008	<u>1,664,027</u>	<u>1,809,114</u>
Portfolio Structure		
Equity	1,070,940	1,126,781
Fixed interest	593,087	682,333
Listed investments	<u>1,664,027</u>	<u>1,809,114</u>
Cash holdings	66,058	35,374
At 31 March 2008	<u>1,730,085</u>	<u>1,844,488</u>
Historical cost of holding at 31 March 2008	<u>1,460,832</u>	<u>1,436,574</u>

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

	2008 £	2007 £
Equities		
Caledonia Investments	–	92,970
Law Debenture Corp	–	92,312
Murray International Trust Ord 25p	89,830	–

15. Debtors

	2008 £	2007 £
Trade debtors	1,814,748	700,931
Prepayments and accrued income and Others	185,348	207,832
	<u>2,000,096</u>	<u>908,763</u>

16. Creditors: Amounts falling due within one year

	2008 £	2007 £
Bank Loans (see below)	187,035	180,999
Trade Creditors	938,805	1,432,206
Other Creditors including taxes and social security costs	410,028	564,823
Accruals	1,026,462	566,128
Deferred Income	295,108	296,982
Partnership Adjustment	–	344,362
	<u>2,857,438</u>	<u>3,385,500</u>

Other creditors include £355,209 for the PAYE and the National Insurance contributions (2007: £371,377).

17. Creditors: Amounts falling due after one year

	2008 £	2007 £
Bank Loan – Cavendish Road	173,568	190,366
Bank Loan – Old Street	1,207,822	1,273,462
Bank Loan – Old Street	182,308	240,160
	<u>1,563,698</u>	<u>1,703,988</u>

The organisation has three bank loans, one for the purchase of Cavendish Road residential home and the others for 12 Old Street (national office). The Cavendish Road loan is repayable over 13 years, with 9 years remaining and an interest rate fixed for 10 years at 6.59 per cent. The first national office loan is repayable over 13 year, fixed for 10 years at 4.81 per cent. The second loan is repayable over 6.25 years, fixed at 6.72 per cent. The loans are secured on the above properties.

18. Unrestricted Funds

	April 2007 £	Incoming resources £	Transfers £	Expenditure £	March 2008 £
Investment Reserve	407,914	(138,660)	–	–	269,254
Fixed assets Reserve	1,712,996	–	(3,999)	–	1,708,997
Property Improvement reserve	79,825	–	–	–	79,825
Innovations Fund	83,707	–	(71,370)	–	12,337
Information Technology	96,994	–	–	–	96,994
Project Designated funds	–	83,303	–	–	83,303
Corporate Priorities	–	–	320,000	–	320,000
Kennedy Fund	1,179	–	–	–	1,179
The Brewis Trust Fund	1,508	–	–	–	1,508
Total Designated funds	<u>2,384,123</u>	<u>(55,357)</u>	<u>244,631</u>	<u>–</u>	<u>2,573,397</u>
General Fund	1,080,175	21,138,114	(244,631)	(20,396,719)	1,576,939
Pension Reserve	466,000	336,000	–	–	802,000
	<u>3,930,298</u>	<u>21,418,757</u>	<u>–</u>	<u>(20,396,719)</u>	<u>4,952,336</u>

18. Unrestricted Funds (continued)

The Investment Reserve reflects the unrealised investment gain.
 The Fixed Assets Reserve represents 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.
 The Innovations Fund is used for the financing of the development of innovative services.
 The Information Technology Fund has been set-aside for the upgrading of information systems.
 Project Designated Funds are specific amounts set aside at three projects for future repairs and training programmes.
 The Corporate Priorities Fund was set aside by trustees to meet expenditure planned for 2008/9 to enable Together to develop responses to changing funding programmes.

19. Restricted Funds

	1 April 2007 £	Incoming Resources £	Outgoing Resources £	31 March 2008 £
The Yorkshire Holiday Fund	2,242	-	(2,242)	-
The Lottery Fund service users	31,373	24,108	(40,163)	15,318
Department of Health – SCB	-	30,000	(30,000)	-
Carisbrooke (SRB) Grant	215,716	-	(5,890)	209,826
Project Services Grants:	29,550	132,150	(78,712)	82,988
Green Lane Grant	731,250	-	(18,750)	712,500
Hopewell House	-	900,000	(22,500)	877,500
Snowdon	-	650,000	(16,250)	633,750
HBOS	34,134	34,000	(25,539)	42,595
The Lottery Fund West Suffolk Befriending	10,500	45,425	(44,691)	11,234
Department of Health – Comm Bridge Builder	3,134	50,000	(53,134)	-
National Service User Network	70,656	278,675	(139,263)	210,068
London Advocacy	58,105	18,500	(63,464)	13,141
South East Development	-	32,000	(32,000)	-
South East Development	31,000	-	(31,000)	-
South East Development	17,600	-	(4,722)	12,878
Mental Health Partnership	23,000	-	(23,000)	-
Funds as at 31 March 2008	1,258,260	2,194,858	(631,320)	2,821,798

Yorkshire Holiday Fund Provided for Leeds Community Support project to provide holidays for clients.
 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.
 Carisbrooke (SRB) Grant, Green lane, Hopewell House, Snowdon properties 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.
 The Lottery Fund West Suffolk befriending 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 services.
 National Service user Network Tudor Trust/Cornic Relief joint funded initiative establishing a service user national network over the next five years.
 London Advocacy service Established by Bridge Builder Trust topped up with a donation from Gwyneth Forrester Trust to provide a post to coordinate service user inclusion activity within London.
 South East Development Grant of £62,000 has been used to establish two services, one providing a post to coordinate service user forums within Surrey, and a second for a service user forum in Sussex.
 Mental Health Partnership £40,000 to support a post coordinating service user inclusion activity within South of 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 benefits 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 triennial 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 2008; the major assumptions used by the actuary were as follows:

Actuarial assumptions used	2008 %	2007 %	2006 %	2005 %
Discount rate	6.4	5.3	4.9	5.4
Retail price inflation	3.4	3.1	2.9	2.8
Salary increase rate	4.6	4.3	4.1	4.8
Pension increase (at limited price indexation)	3.4	3.1	2.9	2.8
Deferred pension revaluation	3.4	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:

	2008 Expected rate of return % pa	2008 Value £000	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	7.5	5,755	7.8	5,642	7.4	5,944	7.7	3,901
Bonds	5.5	2,218	5.1	1,610	4.7	1,320	4.8	1,171
Other	5.25	314	5.1	957	4.7	170	4.8	544
		<u>8,287</u>		<u>8,209</u>		<u>7,434</u>		<u>5,616</u>
Present value of the scheme liability		<u>(7,485)</u>		<u>(7,743)</u>		<u>(7,273)</u>		<u>(5,991)</u>
Net present value of scheme assets/(liabilities)		<u>802</u>		<u>466</u>		<u>161</u>		<u>(375)</u>

Analysis of the amount recognised in Statement of Financial Activities

	2008 £000	2007 £000
Actual return less expected return on assets	(949)	–
Experience gains/(losses)	39	(268)
Changes in assumptions	1,039	504
	<u>129</u>	<u>236</u>

21. Obligations under Operating Leases

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

	Land & building 2008 £	Other 2008 £	Land & building 2007 £	Other 2007 £
Operating leases which expire:				
Within one year	4,800	–	–	–
In two to five years	4,400	–	–	–
Over five years	–	–	–	–
	<u>9,200</u>	<u>–</u>	<u>–</u>	<u>–</u>

22. Contingent Liabilities

Carisbrooke House was 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.

Surrey PCT provided 3 properties valued at a total of £2,300,000 for the set-up of services at Green Lane, Hopewell House and Snowdon. The properties will be surrendered if Together ceases to use them for the purpose for which they were donated.

23. Analysis of Net Assets between Funds

	General fund £	Designated funds £	Restricted funds £	Pension reserve £	Total funds £
Tangible fixed assets	2,433,596	2,756,220	2,433,575	–	7,623,391
Cash at bank and in hand	–	1,567,910	201,873	–	1,769,783
Other net current liabilities	(856,657)	(187,035)	186,350	–	(857,342)
Creditors of more than one year	–	(1,563,698)	–	–	(1,563,698)
Pension asset	–	–	–	802,000	802,000
	<u>1,576,939</u>	<u>2,573,397</u>	<u>2,821,798</u>	<u>802,000</u>	<u>7,774,134</u>