

Charity number: 1179472

Living Well UK

Report and consolidated financial statements
For the year ended 31 March 2020

Living Well UK

For the year ended 31 March 2020

Reference and administrative information

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Reference and administrative information

Charity number	1179472
Country of registration	England & Wales
Registered office and operational address	Avoca Court 23 Moseley Road Birmingham B12 0HJ
Trustees who served during the year:	
David Graham Beaumont (resigned 14 November 2019)	
Louise McKiernan (Chair)	
Richard Hadley (resigned 14 November 2019)	
Davy Hay	
Lovemore Masiane	
Aftab Rahman	
Key management personnel:	
Chief Executive Officer	Ben Howells
Chief Operating Officer (Clinical and Operations)	Patrick Kwesiga
Bankers	Unity Trust Bank 4 Brindley Place Birmingham B1 2JB
Solicitors	Hempsons Solicitors 100 Wood Street London EC2V 7AN
Auditor	Sayer Vincent LLP Chartered Accountants and Statutory Auditor Invicta House 108-114 Golden Lane London EC1Y 0TL

Living Well UK

For the year ended 31 March 2020

Trustees' annual report

The trustees present their report and the audited financial statements for the year ended 31 March 2020.

Reference and administrative information set out on page 3 forms part of this report.

The financial statements comply with current statutory requirements, the Charity's Trust Deed and the Statement of Recommended Practice - Accounting and Reporting by Charities: SORP applicable to charities preparing their accounts in accordance with FRS 102.

Objectives and activities Purposes and aims

The objects of Living Well UK, the Charitable Incorporated Organisation (CIO) are the relief of sickness and preservation of health, with particular emphasis on mental health, in principally (but not exclusively) the Midlands, by:

- a) Providing psychological therapies and counselling;
- b) Promoting research for the public benefit and to publish the useful results of it;
- c) Providing education for organisations and professionals in the mental health field; and
- d) Providing grants to organisations in the mental health field

The trustees review the aims, objectives and activities of the Charity each year. This report looks at what the charitable group has achieved and the outcomes of its work in the reporting period. The trustees report the success of each key activity and the benefits the organisation has brought to those groups of people that it is set up to help. The review also helps the trustees ensure the Charity's aims, objectives and activities remained focused on its stated purposes.

The trustees have referred to the guidance contained in the Charity Commission's general guidance on public benefit when reviewing the Charity's aims and objectives and in planning its future activities. In particular, the trustees consider how planned activities will contribute to the aims and objectives that have been set.

Providing psychological therapies and counselling

Living Well UK (LWUK) relies on the contribution of the trading subsidiary, Living Well Consortium Limited (LWC), formerly Birmingham Mental Health Consortium. LWC is the secondary (i.e. non-NHS) provider of primary care psychological therapies for Birmingham as well as delivering the triage and single point of contact service for Worcestershire. In the financial year 2019-20, LWC delivered 45% of all IAPT activity in Birmingham.

Promoting research for the public benefit and to publish the useful results of it

The Charity has established four working groups to explore key challenges for mental health in the West Midlands.

The working groups will define the research challenges to be funded by the Charity in 2020-21 and cover the following areas:

- Holistic support to aid recovery and the maintenance of good mental health
- Alternative crisis interventions and a crisis café network mode
- The working unwell – designing a support service for businesses
- Prevention support for schools to tackle the heightened risks of general anxiety

Providing education for organisations and professionals in the mental health field

The following clinical education was offered by the Charity to its members during the year through LWC:

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- CBT Low Intensity Clinical Work
- CBT High Intensity Clinical Work
- DCRS (Database and Clinical Recording System) training
- Carenotes (Database and Clinical Recording System) training
- Group work training
- Safeguarding

In addition to this, the following non-clinical training and support was offered:

- Motivational Training Level 1, 2, 3
- Working with Resistance
- Resilience Training

Providing grants to organisations in the mental health field

During the financial year 2019-20 the Charity committed to awarding over £29,000 worth of grants to its members. The Charity received over 19 applications and awarded 6 grants. All the grants are for innovative projects that it is hoped will provide support for the people using them. The aim of the funding is also to help the projects grow and develop so they can expand.

Achievements and performance

The trustees are proud of the various services provided by Living Well Consortium (LWC). During the year ended 31 March 2020, LWC was able to provide 1 to 1 treatment to just over 10,000 individuals through its IAPT services in Birmingham. People using this service ranged in age from between 14 to 84. The LWC Triage and assessment service partnership with Worcestershire Health Care Trust saw delivery of just over 9,000 triages over the 12-month period.

National waiting time targets are for 75% of referrals to be seen within six weeks. Through LWC, the Charity's Birmingham and Solihull IAPT service performed well ahead of the national target, with just over 90% of people being seen within 6 weeks.

Moving to recovery (MTR) rates achieved were above the national expectations of 50% each month, reaching a high of above 60% in the month of February 2020.

New Services

During the last 12 months, after much development work LWC received the go ahead from Birmingham and Solihull Clinical Commissioning Group (BSOL CCG) to launch the *Long-Term Conditions* (LTC) IAPT service. This enabled LWC to create a service that can work with people who have developed mental health conditions because of the issues a physical health problem has caused them. This is the largest service of this kind in the UK and a real chance to show how mental health services can be developed to be bespoke for communities in need.

Innovation

The Charity is looking to continue to pilot new ways of providing mental health support to people who need it. Over the course of the 2019-20 financial year, it developed a number of forward-looking services. The LWC Step 4 service launched which offers young people (aged 18-24), who are too complicated for IAPT, a service that will support them to move on with their lives. LWC has also been developing Social Prescription services to widen this offer.

A Clinical Training Hub

This year has shown growth and strength within the clinical aspect of LWC. It became apparent that the LWC Clinical and Operations Manager (now Chief Operating Officer – Clinical and Operations) needed support as the Consortium grew. LWC therefore stepped up the Worcester Healthy Minds (WHM) Triage Lead to take over with FTB relations, liaise with GPs, providers and source clinical training to upskill the IAPT team. A new Senior Psychological Wellbeing Practitioner (PWP) was brought in to run the day-to-day clinical management of the WHM Triage team.

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As part of the charitable group's workforce development strategy, non-IAPT counsellors were funded to go on courses to upskill their existing qualifications into IAPT compliant qualifications. This included funding for four Dynamic Interpersonal Therapy (DIT) places and one Inter-Personal Therapy (IPT) place. The charitable group also supported expenses for clinical training outside of Birmingham such as the two Children and Young People (CYP) placements, 12 LTC places and two PWP Exeter places. To aid the CYP trainees the consortium salary funded and paid expenses for a CYP supervisor for the Consortium.

Every year, through LWC, a variety of clinical workshops for all staff were provided, and during the COVID-19 pandemic period, workshops have been provided to support the WHM team. This year the Charity also launched the pop-up space in which various workshops were delivered to the general public to see what need there was for the people of Birmingham. From various online classes have been able to be offered to support staff and clients.

In summary, resources incurred in charitable activity have been spent to help staff progress with their IAPT courses, support existing staff in their own wellbeing and assist the growth of clinical delivery within LWC.

Beneficiaries of our services

There are two principal beneficiaries of the charitable group's services:

- Residents and people working in Birmingham who have a GP in Birmingham or Worcestershire; and
- Member organisations of LWC

The primary beneficiaries of the services are those patients who have a GP in Birmingham or Worcestershire who are referred or self-refer to LWC for primary care psychological therapies. In the year ended 31 March 2020, over 19,000 patients received services from LWC or its member organisations under contracts with NHS organisations in Birmingham, Sandwell and Worcestershire.

Member organisations receive business support, clinical governance and operational support from LWC and trading opportunities through contracts, which are managed by LWC.

LWC maintains a focus on supporting the Black, Asian and Minority Ethnic (BAME) community and the Charity is pleased that it was able to assist over 2,000 individuals from this community with treatment, as well as recommending the service to a friend or family.

LWC operated a Customer Satisfaction survey, with a response rate of 97% during the period under review. 95% of respondents recommended our service, had trust in our staff and felt involved during the process.

Financial review

The financial performance of the group shows income generated by LWC of £3,404,445, and costs incurred of £3,430,466. The reserves of the Charity were £962,037 at the start of the year; LWUK had net incoming resources of £227,723 (including a donation under gift aid of £177,877). Because of a donation of services, LWC returned a net loss in the year of £25,359, thus resulting in net incoming resources for the group of £69,031, and total funds for the group of £893,006 at 31 March 2020. This was broadly in line with expectations, against one scenario budgeted net outgoing resources of £26,243. There was no significant impact arising from the COVID-19 Coronavirus pandemic at the end of the financial year.

The Charity had cash of £507,532 at 31 March 2020, taking into account the qualifying donation received from LWC during the year.

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Principal sources of funds (including any fundraising)

To date the principal source of funds for the Charity has arisen from LWC. As stated in this report it is the intention to identify other sources of funds for the Charity which are expected to play an important role in delivering the objectives of the Charity. Since the year-end, the Charity has been successful in qualifying for grant funding from several providers, with contribution covering the costs of improving and expanding the virtual website offering.

Reserves policy and going concern

The Charity has a reserves policy to maintain reserves equivalent to three months of operating costs in cash reserves as activities continue to expand; the minimum reserves has been calculated at approximately £120,000, based on committed operational and overhead expenditure. Owing to the Charity having relatively low levels of operating costs, but LWC has staffing and overhead commitments, the trustees believe that the group is in a strong financial position, with unrestricted reserves of the charity totalling £481,243 at 31 March 2020 (£347,034 at 31 March 2019).

These reserves will begin to be utilised in future financial periods and the trustees will review the reserves policy for the Charity on an annual basis, in particular the need for the Charity to hold at least three months of operating costs in cash reserves as activities continue to expand.

LWC aims to hold its own cash reserves to cover three months of operating costs and to ensure that it has sufficient cash to manage any delays in receiving payments from customers.

The group had unrestricted reserves totalling £893,006 at 31 March 2020 (£962,037 at 31 March 2019).

Trustees' annual report

Principal risks and uncertainties

Principal risk identified	Steps taken to mitigate
<p>The contracting arrangements with the NHS commissioners are typically annual renewable contracts, which could therefore not be renewed and result in the Charity's income reducing significantly.</p>	<p>Regular discussions continue with NHS commissioners regarding the quality of services provided and to identify potential changes to the services.</p> <p>Discussions remain ongoing with the two key contractors, to move to multi-year contracting to enable effective workforce planning.</p> <p>The contracting business model of LWC enables the business to reduce direct costs to offset the loss of income.</p>
<p>LWC delivers services to a complex, multi-agency mental health system.</p>	<p>Detailed analysis continues with commissioners, to review the level of clinical risk and the effectiveness of risk management with providers (either a desk review or a real case), leading to:</p> <ul style="list-style-type: none"> • A clinical audit of provider organisations (this was carried out in 2019 and it is planned to be repeated in 2020) • A training programme and clinical guidance provided to member organisations. • A business support programme being offered to all providers and potential providers, to ensure that each business models on the basis of sustainability.
<p>Provider members of LWC are unable to attract and retain qualified staff.</p>	<p>A programme of CPD continues to be implemented by the Charity to enable current employees of providers to retain their qualified practitioner status.</p> <p>Direct recruitment programmes continue to be undertaken by LWC to attract new practitioners for provider members</p> <p>Workforce planning discussions continue with commissioners to ensure that the future workforce meets their planning assumptions.</p> <p>Business modelling continues to be undertaken on each contract to ensure that the contract is financially sustainable at an individual practitioner level.</p> <p>A new traineeship model is still being developed with Forward Thinking Birmingham (FTB), to create a sustainable training and employment pathway for people with lived experience.</p>
<p>The mental health and well-being of young people, which represents circa 50% of our</p>	<p>The Charity continues to provide training for its member organisations and regularly reviews the</p>

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Principal risk identified	Steps taken to mitigate
patient cohort, is deteriorating, with suicide being normalised in social media.	capacity of the Charity to provide services through its service providers.
New contract opportunities can provide clinical and financial risk	New contract opportunities continue to be fully assessed to ensure that the providers have the clinical capacity and skills to deliver the contract. The Charity provides support to enable providers to develop and grow New contract opportunities are also modelled to ensure they are financially viable for the Charity and the delivery partners.
Delays in receipts from customers negatively impact cash flow.	LWC holding sufficient cash reserves to enable the business to manage its cash position should amounts be received after the due date; credit control procedures continue to be tightened in relation to chasing persistent debt.
The COVID-19 Coronavirus outbreak significantly impacts the operation of the group, including its ability to deliver services to key beneficiaries; similarly, the COVID-19 Coronavirus pandemic may impact the financial sustainability of member organisations and providers.	None of the group's key sources of income have been negatively impacted during the COVID-19 Coronavirus outbreak, and the Trustees believe there are reasonably secure income sources within the next reporting year, such as new contract opportunities within commissioners. Through audits of consortium members, financial sustainability is covered, including the requirement for their own reserves to be at acceptable levels. The Charity is set up to be fully operational for remote workers. Home working arrangements for all staff are reviewed and co-ordinated by the management team. Workshops have been provided to support the WHM team. Website based support has been set up and options such as <i>LiveChat</i> have been created to enable services to continue to reach beneficiaries.

Fundraising

The Charity does not currently carry out any fundraising.

Plans for the future

As reported, the Charity established four working groups, made up of member organisations with specialist knowledge or links to communities, to explore key challenges for mental health in the West Midlands. The working groups, which are meeting currently, are setting the strategy for developing services and the research, innovation and development challenges to be funded by the Charity in 2020-21.

The themes are set out earlier in this Trustees' report, namely: holistic support to aid recovery and the maintenance of good mental health; alternative crisis interventions and a crisis café network

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model; the working unwell – designing a support service for businesses; and prevention support for schools to tackle the heightened risks of general anxiety.

The Charity also intends to continue to offer a small grants regime to enable members, potential members and other providers of mental health services to develop their capability and facilities to deliver contracted activity on behalf of LWC. The grant scheme will continue to be developed through learning arising from the delivery of contracted activity and the analysis of under-met needs from the data systems managed by the Charity. The resources will be directed towards geographical areas of need as well as communities currently less well served by the available provision.

Structure, governance and management

The organisation is a Charitable Incorporated Organisation (CIO) registered as a charity on 8 August 2018 in England and Wales. It is referred to within this report as 'the Charity'.

The Charity is constituted under a trust deed, agreed by members at a general meeting dated 3 December 2018.

All trustees give their time voluntarily and any expenses or remuneration reclaimed from the Charity are set out in note 5 to the accounts.

Appointment of trustees

Trustees are appointed by election at the Annual General Meeting (AGM) of the Charity. Member organisations are asked to nominate suitable trustees and to complete a simple CV and nomination form. An election will occur at any AGM where the number of nominations exceeds the number of trustees retiring (and not seeking re-election). Trustees retire on a 3-year cycle to ensure that there are continuing trustees on the board and the aim to attract two new trustees annually.

Trustee induction and training

The Charity recognises that the trustee role is critical to the successful functioning of the Charity and its trading subsidiary. To achieve this, it has an induction programme for new trustees and the Chair and Executive Assistant ensure that all new trustees are inducted to their role and understand the requirements of a charity trustee (as outlined by the Charity Commission). Additionally, the Executive Assistant manages the induction programme for the trustee and ensures that new trustees meet the appropriate staff and existing trustees and covers the items on the new trustee induction list.

Related parties and relationships with other organisations

As noted above, the Charity has a trading subsidiary, LWC which trades as Living Well Consortium (formerly Birmingham Mental Health Consortium) (company limited by guarantee, registered company number 07412677).

LWC is a membership body and works with and through its members to achieve its objects. LWC delivers on contracts through services provided by various member bodies, including the provision of their staff to fulfil contracts across IAPT, FTB, LTC, and Worcester Triage referrals. A full list of the members and their activities can be found on the Charity website at www.livingwellconsortium.com.

Remuneration policy for key management personnel

The Charity does not employ any staff, but LWC, does. The pay and remuneration of the LWC key management personnel has recently been reviewed in consultation with Ellis Whittam, and appropriate salary bandings were reset in accordance with national benchmarks.

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Trustees' annual report

Statement of responsibilities of the trustees

Law applicable to charities in England and Wales requires the trustees to prepare financial statements for each financial year which give a true and fair view of the charity's financial activities during the period and of its financial position at the end of the period.

In preparing financial statements giving a true and fair view, the trustees should follow best practice and:

- Select suitable accounting policies and then apply them consistently
- Observe the methods and principles in the Charities SORP
- Make judgements and estimates that are reasonable and prudent
- State whether applicable UK Accounting Standards and statements of recommended practice 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 charity will continue in operation

The trustees are responsible for keeping proper accounting records that disclose with reasonable accuracy at any time the financial position of the charity and enable them to ensure that the financial statements comply with the Charities Act 2011. They are also responsible for safeguarding the assets of the charity and group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The trustees are responsible for the maintenance and integrity of the corporate and financial information included on the charity's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

Auditor

Sayer Vincent LLP was appointed as the Charity's auditor during the year and has expressed its willingness to continue in that capacity.

The trustees' annual report has been approved by the trustees on 22 October 2020 and signed on their behalf by

A Rahman

Trustee

Living Well UK

For the year ended 31 March 2020

Independent auditor's report

To the members of Living Well UK

Opinion

We have audited the financial statements of Living Well UK (the 'the parent Charity') for the year ended 31 March 2020 which comprise the consolidated and parent charity Statement of Financial Activities, the group and parent charity Balance Sheets, the consolidated statement of Cash Flows and the Notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

- Give a true and fair view of the state of the group and parent charity's affairs as at 31 March 2020 and of the group's and parent charity's incoming resources and application of resources, for the year then ended
- Have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice
- Have been prepared in accordance with the requirements of the Charities Act 2011

Basis for opinion

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

Conclusions relating to going concern

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

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

Other information

The other information comprises the information included in the trustees' annual report, other than the financial statements and our auditor's report thereon. The trustees are responsible for the other information. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon. In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have

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Independent auditor's report

performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Matters on which we are required to report by exception

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

- The information given in the trustees' annual report is inconsistent in any material respect with the financial statements
- Sufficient accounting records have not been kept; or
- the financial statements are not in agreement with the accounting records and returns; or
- We have not received all the information and explanations we require for our audit

Responsibilities of trustees

As explained more fully in the statement of trustees' responsibilities set out in the trustees' annual report, the trustees are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

Auditor's responsibilities for the audit of the financial statements

We have been appointed as auditor under section 144 of the Charities Act 2011 and report in accordance with regulations made under section 154 of that Act.

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion.

Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

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

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Use of our report

This report is made solely to the parent charity's trustees as a body, in accordance with section 144 of the Charities Act 2011 and regulations made under section 154 of that Act. Our audit work has been undertaken so that we might state to the parent charity's trustees those matters we are required

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Independent auditor's report

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 parent charity and the parent charity's trustees as a body, for our audit work, for this report, or for the opinions we have formed.

9 November 2020

Sayer Vincent LLP, Statutory Auditor
Invicta House, 108-114 Golden Lane, LONDON, EC1Y 0TL

Sayer Vincent LLP is eligible to act as auditor in terms of section 1212 of the Companies Act 2006.

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For the year ended 31 March 2020

Consolidated Statement of Financial Activities (incorporating an income and expenditure account)

	Note	2020 Total £	2019 Total £
Income from:			
Charitable activities	2		
Forward Thinking Birmingham		1,812,000	603,250
IAPT KP14		867,620	245,561
IAPT LTC		73,473	-
IAPT MTR		-	-
Health Education England		149,775	-
Worcester Triage Model		477,577	111,961
Other Income		24,662	-
Net assets acquired from subsidiary		-	925,972
Total income		3,405,107	1,886,744
Expenditure on:			
Raising funds	3	108,643	6,275
Charitable activities	3		
Forward Thinking Birmingham		1,721,729	550,310
IAPT KP14		859,895	219,815
IAPT LTC		93,131	-
IAPT MTR		54,122	-
Health Education England		96,552	-
Worcester Triage Model		497,000	148,307
Local Outreach Programmes		13,981	-
Grants Payable		29,085	-
Tax payable by subsidiaries	9	-	-
Total expenditure		3,474,138	924,707
Net movement in funds		(69,031)	962,037
Reconciliation of funds:			
Total funds brought forward		962,037	-
Total funds carried forward		893,006	962,037

All of the above results are derived from continuing activities, and all was unrestricted. There were no other recognised gains or losses other than those stated above. Movements in funds are disclosed in note 16 to the financial statements.

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Balance Sheets

	Note	The Group 2020	The Charity 2020	The Group 2019	The Charity 2019
Fixed assets:					
Tangible assets	10	17,787	-	10,498	-
Total non-current assets		<u>17,787</u>	<u>-</u>	<u>10,498</u>	<u>-</u>
Current assets:					
Debtors	13	914,709	-	514,287	-
Cash at bank and in hand		<u>573,542</u>	<u>507,533</u>	<u>855,661</u>	<u>350,034</u>
		1,488,251	507,533	1,369,948	350,034
Liabilities:					
Creditors: amounts falling due within one year	14	613,032	26,290	418,409	3,000
Net current assets		<u>875,219</u>	<u>481,243</u>	<u>951,539</u>	<u>347,034</u>
Total net assets	16	<u>893,006</u>	<u>481,243</u>	<u>962,037</u>	<u>347,034</u>
Funds:					
Unrestricted income funds:					
General funds	17	893,006	481,243	962,037	347,034
Total funds		<u>893,006</u>	<u>481,243</u>	<u>962,037</u>	<u>347,034</u>

Approved by the trustees on 22 October 2020 and signed on their behalf by

A Rahman
Trustee

Living Well UK

For the year ended 31 March 2020

Consolidated statement of cash flows

	2020	2020	2019	2019
	£	£	£	£
Cash flows from operating activities				
Net income for the reporting period	(69,031)		962,037	
Depreciation charges	5,697		22,682	
(Increase)/decrease in debtors	(400,422)		(514,287)	
Increase/(decrease) in creditors	194,623		418,409	
Net cash used in operating activities		(269,133)		888,841
Cash flows from investing activities:				
Purchase of fixed assets	(12,986)		(33,180)	
Net cash used in investing activities		(12,986)		(33,180)
Change in cash and cash equivalents in the year		(282,119)		855,661
Cash and cash equivalents at the beginning of the year		855,661		-
Cash and cash equivalents at the end of the year		<u>573,542</u>		<u>855,661</u>

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Notes to the financial statements

1 Accounting policies

a) Statutory information

Living Well UK is a Charitable Incorporated Organisation (CIO) registered with the Charity Commission for England and Wales.

The registered office address is Avoca Court, 23 Moseley Road, Birmingham, B12 0HJ.

b) Basis of preparation

The financial statements have been prepared in accordance with Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) - (Charities SORP FRS 102), The Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) and the Charities Act 2011.

The CIO was incorporated on 8 August 2018 and established control over its subsidiary (Birmingham Mental Health Consortium) on 3 December 2018.

These financial statements consolidate the results of the Charity and its wholly owned subsidiary on a line by line basis. Transactions and balances between the Charity and its subsidiary have been eliminated from the consolidated financial statements. Balances between the two entities are disclosed in the notes of the Charity's balance sheet.

Assets and liabilities are initially recognised at historical cost or transaction value unless otherwise stated in the relevant accounting policy or note.

In applying the financial reporting framework, the trustees have made a number of subjective judgements, for example in respect of significant accounting estimates. Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. The nature of the estimation means the actual outcomes could differ from those estimates. Any significant estimates and judgements affecting these financial statements are detailed within the relevant accounting policy below.

c) Public benefit entity

The Charity meets the definition of a public benefit entity under FRS 102.

d) Going concern

The trustees consider that there are no material uncertainties about the Charity's ability to continue as a going concern.

None of the group's key sources of income have been negatively impacted during the COVID-19 Coronavirus outbreak, and the Trustees believe there are reasonably secure income sources within the next reporting year.

The trustees do not consider that there are any sources of estimation uncertainty at the reporting date that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next reporting year.

e) Income

Income is recognised when the Charity has entitlement to the funds, any performance conditions attached to the income have been met, it is probable that the income will be received and that the amount can be measured reliably.

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Notes to the financial statements

Income received in advance of the provision of a specified service is deferred until the criteria for income recognition are met.

f) Interest receivable

Interest on funds held on deposit is included when receivable and the amount can be measured reliably by the Charity; this is normally upon notification of the interest paid or payable by the bank.

g) Fund accounting

Unrestricted funds are donations and other incoming resources received or generated for the charitable purposes.

h) Expenditure and irrecoverable VAT

Expenditure is recognised once there is a legal or constructive obligation to make a payment to a third party, it is probable that settlement will be required, and the amount of the obligation can be measured reliably. Expenditure is classified under the following activity headings:

- Costs of raising funds relate to the costs incurred by the group in inducing third parties to make voluntary contributions to it, as well as the cost of any activities with a fundraising purpose
- Expenditure on charitable activities includes the costs of supporting beneficiaries and undertaken to further the purposes of the group and their associated support costs
- Other expenditure represents those items not falling into any other heading

Irrecoverable VAT is charged as a cost against the activity for which the expenditure was incurred.

i) Allocation of support costs

Resources expended are allocated to the particular activity where the cost relates directly to that activity. However, the cost of overall direction and administration of each activity, comprising the salary and overhead costs of the central function, is apportioned on the following basis which are an estimate of the amount attributable to each activity.

Raising funds	8%
Forward Thinking Birmingham	47%
IAPT KP14	24%
IAPT LTC	3%
IAPT MTR	1%
Health Education England	3%
Worcester Triage Model	14%

Governance costs are the costs associated with the governance arrangements of the Charity. These costs are associated with constitutional and statutory requirements and include any costs associated with the strategic management of the Charity's activities.

j) Operating leases

Rental charges are charged on a straight-line basis over the term of the lease.

k) Tangible fixed assets

Items of equipment are capitalised where the purchase price exceeds £500. Depreciation costs are allocated to activities on the basis of the use of the related assets in those activities. Assets are reviewed for impairment if circumstances indicate their carrying value may exceed their net realisable value and value in use.

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Notes to the financial statements

Depreciation is provided at rates calculated to write down the cost of each asset to its estimated residual value over its expected useful life. The depreciation rates in use are as follows:

Computer equipment	33.33% per annum, straight line (over three years)
Furniture and fixtures	33.33% per annum, straight line (over three years)

l) Investment in subsidiaries

Investment in subsidiaries is at stated at cost.

m) Debtors

Trade and other debtors are recognised at the settlement amount due. Prepayments are valued at the amount prepaid.

n) Cash at bank and in hand

Cash at bank and cash in hand includes cash and short term highly liquid investments with a short maturity of three months or less from the date of acquisition or opening of the deposit or similar account.

o) Creditors and provisions

Creditors and provisions are recognised where the Charity has a present obligation resulting from a past event that will probably result in the transfer of funds to a third party and the amount due to settle the obligation can be measured or estimated reliably.

p) Financial instruments

The Charity only has financial assets and financial liabilities of a kind that qualify as basic financial instruments. Basic financial instruments are initially recognised at transaction value and subsequently measured at their settlement value with the exception of bank loans which are subsequently measured at amortised cost using the effective interest method.

2 Income from charitable activities

	Unrestricted	2020 Total	2019 Total
Income from Charitable activities		£	£
<i>Government contracts</i>	£	£	£
Forward Thinking Birmingham	1,812,000	1,812,000	603,250
IAPT KP14	867,620	867,620	245,561
IAPT LTC	73,473	73,473	-
IAPT MTR	-	-	-
Health Education England	149,775	149,774	-
Worcester Triage Model	477,577	477,577	111,961
	3,380,445	3,380,445	960,772

All of the charity's activities are currently unrestricted.

Comparable performance against charity activity in the period ended 31 March 2019 reflects the inclusion of a full 12 month's activity rather than four months (from LWUK consolidation of LWC in 2018/19).

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Notes to the financial statements

3 Analysis of expenditure

Analysis of expenditure	Raising funds	Forward Thinking Birmingham	IAPT KP14	IAPT LTC	IAPT MTR	Health Education England	Worcester Triage Model	Local Outreach programmes	Grants payable	Governance costs	Support costs	Total
	£	£	£	£	£	£	£	£	£	£	£	£
Staff costs (Note 5)	-	-	-	-	-	-	-	-	-	-	363,926	363,926
Payments to partners	-	1,412,077	705,243	74,417	44,388	79,187	407,616	11,467	29,085	-	-	2,763,480
Advertising and marketing	19,314	-	-	1,964	-	-	-	-	-	-	-	21,278
Staff expenses	69,789	-	-	-	-	-	-	-	-	-	-	69,789
Office expenses	-	-	-	-	-	-	-	-	-	-	161,307	161,307
Audit, accountancy and consultancy support	-	-	-	-	-	-	-	-	-	94,358	-	94,358
	89,103	1,412,077	705,243	76,381	44,388	79,187	407,616	11,467	29,085	94,358	525,233	3,474,138
Support costs	16,564	262,495	131,100	14,199	8,251	14,721	75,772	2,131	-	-	(525,232)	-
Governance costs	2,976	47,157	23,552	2,551	1,482	2,644	13,612	383	-	(94,358)	-	-
Total expenditure 2020	108,643	1,721,729	859,895	93,131	54,122	96,552	497,000	13,981	29,085	-	-	3,474,138

2019	Charitable activities											2019
Analysis of expenditure	Raising funds	Forward Thinking Birmingham	IAPT KP14	IAPT LTC	IAPT MTR	Health Education England	Worcester Triage Model	Local Outreach programmes	Grants payable	Governance costs	Support costs	Total
	£	£	£	£	£	£	£	£	£	£	£	£
Staff costs (Note 5)	-	-	-	-	-	-	-	-	-	-	59,392	59,392
Payments to partners	-	446,247	178,248	-	-	-	120,262	-	-	-	-	744,757
Advertising and marketing	5,088	-	-	-	-	-	-	-	-	-	-	5,088
Staff expenses	-	-	-	-	-	-	-	-	-	-	19,693	19,693
Office expenses	-	-	-	-	-	-	-	-	-	-	55,317	55,317
Audit, accountancy and consultancy support	-	-	-	-	-	-	-	-	-	18,548	21,910	40,458
	5,088	446,247	178,248	-	-	-	120,262	-	-	18,548	156,312	924,706
Support costs	1,061	93,024	37,157	-	-	-	25,070	-	-	-	(156,312)	-
Governance costs	126	11,038	4,409	-	-	-	2,975	-	-	(18,548)	-	-
Total expenditure 2019	6,275	550,309	219,814	-	-	-	148,307	-	-	-	-	924,706

Living Well UK

For the year ended 31 March 2020

Notes to the financial statements

4 Grant making

During the year, the charity made grant award offers to consortium members

	Grants to institutions	Grants to individuals	Support costs	2020	2019
Cost	£	£	£	£	£
Innovations grants	22,700	-	-	22,700	-
Venues grants	1,500	-	-	1,500	-
Pilot scheme grants	4,885	-	-	4,885	-
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
At the end of the year	29,085	-	-	29,085	-

Innovations grants were awarded to Karis Neighbour Scheme £391; Legacy WM CIC £4,400; Newman University £4,910; Pattigift £4,999; Sifa Fire Side £5,000, and Spring to Life £3,000.

Venues grants were awarded to Citizen Coaching £500; Pattigift £500, and Sport 4 Life UK £500.

A pilot grant was awarded to Change Brief Therapy of £4,885.

5 Net expenditure for the reporting period

	2020	2019
This is stated after charging/ (crediting):	£	£
Depreciation	5,697	22,682
Operating lease rentals:		
Property	17,550	17,940
Auditor's remuneration (excluding VAT):		
Audit	11,500	10,000
Other services	875	3,000

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Notes to the financial statements

6 Analysis of staff costs, trustee remuneration and expenses, and the cost of key management personnel

	2020	2019
	£	£
Salaries and wages	332,917	42,388
Social security costs	25,383	15,593
Employer's pension contribution to defined contribution scheme	5,626	1,411
	<u>363,926</u>	<u>59,392</u>

No employee earned more than £60,000 during the year (2018/19: none).

The total employee benefits (including pension contributions and employer's national insurance) of the key management personnel was £63,882 (2018/19: £17,088)

The total amount paid to key management personnel under a consultancy agreement was £18,600 (2018/19: £9,411)

7 Staff numbers

The average number of employees (head count based on number of staff employed) during the year was 15 (2018/19: 9).

8 Related party transactions

Related party transactions are all carried out at arms' length.

Richard Hadley is a director of LWC and was formerly a director of LWUK; he provided consultancy support during the financial year; the amount charged to LWC during 2019/20 was £2,200, of which £nil related to expenses (2018/19: £3,610 of which £200 related to expenses).

Martin Hogg is a director of LWC, and is CEO of Citizen Coaching, a company which provided labour to fulfil IAPT, FTB and Worcester Triage contracts during the financial year; the amount charged by that company to LWC for these services during the 2019/20 financial year was £337,674.

Louise McKiernan (a Trustee of LWUK and a director of LWC Limited) is CEO of Disability Resource Centre (DRC), a company which provided labour to fulfil IAPT and FTB contracts during the financial year; the amount charged by that company for these services during the 2019/20 financial year was £7,050.

Lovemore Masiane (a Trustee of LWUK and a director of LWC), is associated with Our Roots, a company which provided premises and services including labour to fulfil IAPT, FTB, LTC and Worcester Triage contracts during the financial year; the amount charged by that company for these services during the 2019/20 financial year was £1,276,764.

Amra Dautovic, a director of LWC, is also managing director of MyTime, linked to Richmond Partnership, a company which provided services including labour to fulfil IAPT and FTB contracts during the financial year; the amount charged by that company for these services during the 2019/20 financial year was £198,239.

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Notes to the financial statements

Ronald Patrick Owtrim became a director of LWC during the year is also a director of Health Exchange Limited (HEX) (company number 6445689). HEX provided telephony and webhosting support, petty cash advances, consultancy support, and labour to fulfil IAPT, FTB and Worcester Triage contracts; the amount charged by that company for these services during the 2019/20 financial year was £544,869 (2018/19: £697,436).

Graham Beaumont was a Trustee of LWUK and was a director of LWC during the previous financial year and is also a director of Initiative for Social Entrepreneurs (ISE) CIC. LWC's operating office lease is with ISE CIC; the rent charged for the 2019/20 financial year was £17,550 excluding VAT (2018/19: £17,940). Graham Beaumont is also a director and secretary of Knowledge Plus Consultancy Limited which provided executive support to Living Well Consortium Limited; the amount charged by that company for the 2019/20 financial year was £25,800 (2018/19: £28,285).

There were no balances due to or from the above individuals at the balance sheet date.

There are no donations from related parties which are outside the normal course of business and no restricted donations from related parties.

9 Corporation tax

The Charity is exempt from corporation tax as all its income is charitable and is applied for charitable purposes. LWC (formerly known as Birmingham Mental Health Consortium Limited) distributes available profits to the parent charity under Gift Aid.

Its charge to corporation tax in the year was:

	2020	2019
	£	£
UK Corporation tax at 19%	-	-
	<u>-</u>	<u>-</u>
	<u>-</u>	<u>-</u>

Living Well UK

For the year ended 31 March 2020

Notes to the financial statements

10 Tangible fixed assets

	Computer equipment £	Furniture and Fixtures £	Total £
Cost			
At the start of the year	29,677	3,503	33,180
Additions in the year	11,102	1,884	12,986
Disposals in the year	(10,829)	-	(10,829)
	<hr/>	<hr/>	<hr/>
At the end of the year	29,950	5,387	35,337
Depreciation			
At the start of the year	22,330	352	22,682
Charge for the year	4,306	1,391	5,697
Disposals in the year	(10,829)	-	(10,829)
	<hr/>	<hr/>	<hr/>
At the end of the year	15,807	1,743	17,550
Net book value			
At the start of the year	7,347	3,151	10,498
	<hr/>	<hr/>	<hr/>
At the end of the year	14,143	3,644	17,787
	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>

Living Well UK

For the year ended 31 March 2020

Notes to the financial statements

11 Subsidiary undertaking

The Charity has control over the activities of Living Well Consortium Limited, a company registered in England. The company number is 07412677. The registered office address is 23 Moseley Road, Birmingham, B12 0HJ.

All activities have been consolidated on a line by line basis in the statement of financial activities. Available profits are distributed under Gift Aid to the parent charity.

The trustee Richard Hadley (who resigned 14 November 2019) is also a director of the subsidiary; the trustees Louise McKiernan, and Lovemore Masiane are also directors of the subsidiary.

A summary of the results of the subsidiary for their full financial year is shown below:

	2020	2019
	£	£
Turnover	3,404,445	2,708,597
Cost of sales	(2,722,927)	(2,164,060)
Gross surplus	681,518	544,537
Administrative expenses	(707,539)	(377,145)
Deficit/ surplus on ordinary activities before interest and taxation	(26,021)	167,392
Interest receivable and similar income	662	1,278
Deficit/ surplus on ordinary activities before taxation	(25,359)	168,670
Taxation on profit on ordinary activities	-	-
Total comprehensive (expenditure)/ income	(25,359)	168,670
Retained earnings		
Total retained earnings brought forward	614,997	796,327
Total comprehensive expenditure for the reporting period	(25,359)	168,670
Distribution under Gift Aid to parent charity	(177,877)	(350,000)
Total retained earnings carried forward	411,761	614,997
The aggregate of the assets, liabilities and reserves was:		
Assets	998,504	1,030,405
Liabilities	(586,743)	(415,408)
Reserves	411,761	614,997

Other than the distribution of gift aid to the parent charity, there was a donation of recharges from LWC to the parent charity (based on an agreed proportion of salaries, legal expenses, rent, marketing, IT and HR support costs, totalling £49,846).

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Notes to the financial statements

12 Parent charity

The parent charity's gross income and the results for the year are disclosed as follows:

	2020	2019
	£	£
Gross income	227,723	350,034
Result for the year	<u>84,360</u>	<u>347,034</u>

13 Debtors

	The group	The Charity	The group	The Charity
	2020	2020	2019	2019
	£	£	£	£
Trade debtors	899,035	-	471,470	-
Other debtors	1,374	-	29,665	-
Prepayments	14,300	-	13,152	-
	<u>914,709</u>	<u>-</u>	<u>514,287</u>	<u>-</u>

14 Creditors: amounts falling due within one year

	The group	The Charity	The group	The Charity
	2020	2020	2019	2019
	£	£	£	£
Trade creditors	464,700	851	340,974	-
Taxation and social security	53,344	-	12,676	-
Accruals	63,157	2,254	49,020	3,000
Other creditors	23,185	23,185	-	-
Deferred income	8,646	-	15,738	-
	<u>613,032</u>	<u>26,290</u>	<u>418,408</u>	<u>3,000</u>

15 Deferred income

	The group	The Charity	The group	The Charity
	2020	2020	2019	2019
	£	£	£	£
Balance at the beginning of the year	15,738	-	-	-
Amount released to income in the year	(15,738)	-	-	-
Amount deferred in the year	8,646	-	15,738	-
Balance at the end of the year	<u>8,646</u>	<u>-</u>	<u>15,738</u>	<u>-</u>

Living Well UK

For the year ended 31 March 2020

Notes to the financial statements

16 Analysis of group net assets between funds

	General unrestricted	Total funds
	£	£
Tangible fixed assets	17,787	17,787
Net current assets	875,219	875,219
Net assets at 31 March 2020	<u>893,006</u>	<u>893,006</u>
	<i>General unrestricted</i>	<i>Total funds</i>
	£	£
<i>Tangible fixed assets</i>	<i>10,498</i>	<i>10,498</i>
<i>Net current assets</i>	<i>951,539</i>	<i>951,539</i>
<i>Net assets at 31 March 2019</i>	<u><i>962,037</i></u>	<u><i>962,037</i></u>

17 Movements in funds

	At 1 April 2019	Income & gains	Expenditure & losses	Transfers	At 31 March 2020
	£	£	£	£	£
Unrestricted funds:					
General funds	962,037	3,405,107	(3,474,138)	-	893,006
Total funds	<u>962,037</u>	<u>3,405,107</u>	<u>(3,474,138)</u>	<u>-</u>	<u>893,006</u>

18 Operating lease commitments payable as a lessee

The groups total future minimum lease payments under non-cancellable operating leases is as follows:

	Property 2020	Property 2019
	£	£
Less than one year	23,948	17,940
One to five years	-	-
	<u>23,948</u>	<u>17,940</u>

All operating leases are held by the charity's trading subsidiary Living Well Consortium.