

DERMAN - FOR THE WELL-BEING OF THE KURDISH AND TURKISH COMMUNITIES
FINANCIAL STATEMENTS AND THE TRUSTEES' REPORT
FOR THE YEAR ENDED 31 MARCH 2021

ALISON WARD ACCOUNTANTS
CHARTERED CERTIFIED ACCOUNTANTS

28 HILLS ROAD
BUCKHURST HILL
ESSEX IG9 5RS

**FINANCIAL STATEMENTS AND THE TRUSTEES' REPORT
FOR THE YEAR ENDED 31 MARCH 2021**

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**TRUSTEES' REPORT - STATUTORY INFORMATION
FOR THE YEAR ENDED 31 MARCH 2021**

TRUSTEES

Dr Elena Alexandrou
Kadriye Ali
Ziya Adnan
Dr Zerrin Atakan
Adem Celik
Dr Adam Forman
Nurullah Turan (Chair)

SECRETARY

Zafer Kursun (from 1 July 2021)
Nursel Tas (to 30 June 2021)

REGISTERED OFFICE

The Basement
66 New North Road
London N1 6TG

COMPANY NUMBER

02910220

CHARITY NUMBER

1054792

BANKERS

The Co-operative Bank Plc
P.O. Box 250
Delf House
Southway
Skelmersdale WN8 6WT

INDEPENDENT EXAMINER

Alison Ward FCCA
Alison Ward Accountants
Chartered Certified Accountants
28 Hills Road
Buckhurst Hill
Essex IG9 5RS

TRUSTEES' REPORT FOR THE YEAR ENDED 31 MARCH 2021

The trustees (who are also the directors) present their report and the independently examined financial statements of the charitable company for the year ended 31 March 2021. The statutory information is shown on Page 1.

GOVERNING DOCUMENT

Derman - for the well-being of the Kurdish & Turkish Communities (the word 'Limited' being omitted by licence from the Department of Trade) is registered under the Companies Act 1985 as a company limited by guarantee and not having a capital divided by shares. Each member present and twelve months past is liable to contribute a sum not exceeding £1 on the company's winding up.

The company was incorporated on 18th March 1994 and is a registered charity constituted as a Limited Company under the Memorandum and Articles of Association. The charity registration number is 1054792 and the company registration number is 2910220.

PRINCIPAL ACTIVITIES

The company's Memorandum & Articles of Association was amended in its AGM on 17 November 2006 and its activities now are:

- to relieve sickness (including sickness associated with distress) and to preserve and improve health by the provision of counselling, advice and advocacy, support work and other allied services;
- to provide or assist in the provision of facilities in the interests of social welfare, for recreation or other leisure time occupation of individuals who have need of such facilities by reason of their youth, age, infirmity or disability, financial hardship or social circumstances with the object of improving their condition of life;
- to advance the education of families in better standards of childcare;
- to relieve poverty by the provision of welfare rights advice amongst the Turkish, Kurdish and Cypriot Turkish communities across the UK, in particular those communities in Hackney and other London boroughs.

PUBLIC BENEFIT

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

TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2021

ACHIEVEMENTS AND PERFORMANCE

This year, like everyone, we faced unanticipated challenges. We responded very well to the unexpected circumstances in which we all found ourselves with the coronavirus hit. We are very proud to say that we rapidly adapted our services. We have been resilient and devoted to the needs of our service users in the lockdown period. We continued to deliver health advocacy, counselling, mental health support, welfare advice services and group activities using telephone and online platforms.

We are now working hard to safely return to providing face to face services and to ensure that people are supported as effectively as possible.

We are pleased that Derman has helped 2,338 people and concluded 8,088 contacts or sessions in 2020-21 in these difficult times. We responded to our aims by delivering the following three main services to Kurdish, Turkish and Turkish Cypriot communities:

Bilingual Health Advocacy

This service forms a bridge between health professional/ the health system and service users. The Health advocacy service is the main point of access for the Turkish, Kurdish and Turkish Cypriot patients to the primary health care services and empowers patients through the provision of information on the availability of services, their rights and entitlements. We provided a service to 1,498 individuals and culminated 3,570 contacts from 13 different GP surgeries in Hackney.

The most common complaints and conditions presented in 2020-21 financial year were as follows:

- Mental health problems (depression/anxiety, panic attacks etc)
- Women's health problems
- Joint pain/knee/shoulder complaints
- Asthma/chest related complaints
- Back/neck Pain
- Covid-19 related
- Diabetes
- Stomach related complaints
- Headache/Cold/Cough
- Heart problems/high blood pressure / cholesterol
- Cancer related

Welfare Advice

We provided a high- quality professional welfare advice service in partnership with Citizen Advice Bureau (CAB) to Kurdish/Turkish and Turkish Cypriot communities. We supported them to tackle some of the issues that underpin the social determinants of health. Areas of support for our communities include welfare benefits, debt and housing. This service received more demand than we have the capacity to support.

We also were able to expand our welfare advice service to North London supported by City Bridge Trust the London Community Response Fund until the end of March 2021.

The Advice service has had another highly successful year with 369 people receiving help and concluded with 991 contacts.

TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2021

Mental Health Service

Derman's Mental Health services provide a wide range of psychological treatment interventions for Turkish, Kurdish, and Cypriot Turkish adults with common mental health problems who have a low to moderate level of need.

Derman's Mental Health Service includes four projects:

- **Improving Access to Psychological Therapies (IAPT):**

Derman has been an approved IAPT provider since 2016, delivering culturally appropriate psychological therapies for Turkish, Kurdish and Turkish Cypriot communities funded by City and Hackney CCG. Outcomes reported for IAPT service showed that people accessing talking therapies recorded significant reliable recovery using both the PHQ9 measure of depression and the GAD7 measure of anxiety. Derman IAPT recovery rate was 62% in 2020-21. This shows that we exceeded our target recovery rate of 50%. Derman's recovery rate is higher than the national IAPT averages.

- **City & Hackney Mental Health Wellbeing Network**

Derman is part of City and the Hackney Wellbeing Network which started in 2015. It is led by Mind with other voluntary sector agencies funded by LBH Public Health. The Network offers one to one counselling and a range of group activities which aim to improve emotional wellbeing, to re-validate their skills to recover, and to successfully manage their mental and physical well-being.

We also offered the following group activities: handcrafts, self- help group for panic attacks, self-help group for depression, walk & talk, mental health awareness, relaxation & breathing, relapse prevention and film discussion group for men.

- **Gambling Counselling**

This is a partnership service with GamCare to help overcome gambling problems in Turkish, Kurdish and Turkish Cypriot communities in London. Derman is the only organisation, providing specific counselling service for gamblers and their families to Turkish, Kurdish and Turkish Cypriot communities since 2010.

- **Family Intervention project**

This project involves working with the whole family to provide a tailored response to families' specific needs. Derman started providing this service from January 2020 in partnership with the Minik Kardes and Imece, and funded by Big Lottery for Turkish, Kurdish and Turkish Cypriot families from Hackney and Islington.

The mental health service is continuing to meet a vital need for people with mental health problems and 471 clients benefitted from the service. This service provided a total of 3,527 sessions. The Derman Bilingual Counselling Service is a unique organisation Accredited by the British Association of Counselling and Psychotherapy (BACP) since 2016, which shows the benchmark for high quality service delivery.

TRUSTEES' REPORT (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2021

Reflecting back over the year, the other most significant milestones were:

We have made significant progress in meeting our strategic priorities in the last year.

- **To respond to the ongoing demands of the Turkish and Kurdish speaking communities**

We were successful getting funding from Hackney giving Coronavirus Response Fund in partnership with Day-Mer to respond to the priority needs of the Turkish, Kurdish, Turkish Cypriot and Eastern European Turkish people directly impacted by the current public health crisis.

- **Strengthening our partnership work to meet our vision**

Derman became a delivery partner for The Advocacy Project in Hackney to provide non-statutory advocacy service. We supported vulnerable adults who are unable to speak up for themselves.

Derman became a part of Mental health transformation programme based multi-disciplinary neighbourhood team to support people with mental health issues to link to their communities, developing a personalised programme of health and wellbeing activities through the community connectors. The programme is funded by East London NHS Foundation Trust managed by the City and Hackney Mind.

We also invested in IT-upgrading hardware and moved to Office 365 and cloud -based IT infrastructure. This transformation was a key priority as we had to start working from home as a result of Covid-19 to provide remote service.

Service Evaluation

We collected data routinely throughout the year. We received a fantastic range of opinions and comments from service users. In the majority, opinions on the quality of our services were very positive. When asked what we could do to improve, the most stated suggestions were more services that meet the needs of Turkish, Kurdish and Turkish Cypriot communities. 90% indicated that they felt happy with the Derman services.

Mental Health Service - IAPT service collects questionnaires on anxiety and depression symptom severity. 'Recovery' is met if a service user moves from above to below the diagnostic threshold on both the depression and anxiety measures by the end of the intervention.

Outcomes reported for IAPT service showed that people accessing talking therapies recorded significant reliable recovery using both the PHQ9 measure of depression and the GAD7 measure of anxiety. Derman IAPT recovery rate was 62% in 2020-21. We exceeded our target recovery rate of 50% which is higher than the national IAPT averages.

Case Study:

Mrs B, Female-45 B is a 45-year-old Kurdish woman with two children. She was referred to our mental health service by her GP as she was suffering from depression, relationship problem, isolation, and a lack of self-esteem. Her parents arranged her marriage without asking her permission. She said that after their decision, she lost control of her life. Throughout her marriage she was subjected to emotional abuse, and eventually she lost her self-esteem and confidence. During therapy, for the first time in her life she was able to talk and explore her long-term unhappiness in her marriage without hiding her feelings. She realised how much her upbringing had stopped her from seeking counselling or make any decisions in her life. She felt listened to without judgement of her life experiences, which gave her confidence in herself again and gradually improved her self-esteem.

TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2021

The outcome of the counselling sessions:

- *Encouraged to take of control her own life*
- *The main reasons she got better were because she was safe to explore her feelings within a safe environment and the counselling sessions were in Turkish.*

Service Users Comments:

Service User, Turkish Cypriot, Female-42: "I cannot thank enough to Derman's staff for giving me hope to live again, especially to my therapist. I had forgotten to laugh for many years and now after the therapy I am able to laugh again."

Service User, Kurdish, Female-40: "Attending counselling sessions at Derman helped me clarify and make sense of my issues and develop the skills for communicating my thoughts without feelings of fear or anger. I would like to thank Derman for providing such a valuable and unique opportunity to explore my issues in a non-judgmental environment."

RISK MANAGEMENT:

The trustees have a risk management strategy which comprises of:

- An annual review of the risks faced by the charity;
- The establishment of systems and procedures to mitigate the identified risks; and
- The implementation of procedures designed to minimise any potential impact on the charity should those risks materialise.

We have been working to update our business continuity plan to mitigate the potential impact of the covid-19 pandemic. We are now providing our services remotely since March 2020 for existing and also new clients. We have a telephone triage session to assess the client's suitability for phone/online service, and we also get the client's consent before the assessment session. The Management Committee made a specific Risk Assessment for dealing with the current Covid-19 situation in Derman including coming out from lockdown and individual staff risk assessment.

Seven of the key risks identified and their subsequent mitigating actions for Derman for the year ended 31st March 2021 were:

1. Risk: Interruption our services due to coronavirus pandemic
Mitigation: Develop a response plan- regularly update and evaluate Derman Business Continuity Plan/ moving our services online.
2. Risk: Returning to work safely after the lockdown
Mitigation: Make plans regarding coming out from lockdown/ and review on a regular basis to keep staff and service users safe.
3. Risk: Volatility and decrease of voluntary income resulting from recession and streamlining the services.
Mitigation: Strong messaging of the needs of the people Derman supports.
4. Risk: Continuing impact of budget cuts on the statutory income exacerbating the shortage of funding
Mitigation: Sustain open dialogue with local authorities and NHS and continually review opportunities.

TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2021

5. Risk: Reputational risks associated with a serious incident involving people we support e.g. safeguarding, accidents.
Mitigation: Education and maintenance of awareness of safeguarding and whistleblowing at all levels of Derman. Rigorous training in health and safety for all our workforce and comprehensive risk assessments for all people we support.
6. Risk: Increase in payments in arrears as a result of payment by activities and payment by results.
Mitigation: Derman will increase the reserves to respond to the new type of contracts.
7. Risk: With the uncertain economic environment we are unable to make a long-term strategy:
Mitigation: we are working on updating strategic plan how to meet our aims in the current climate.

TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2021

FINANCIAL REVIEW

The Statement of Financial Activities shows a surplus of £27,678 (2020 - £3,674). At 31 March 2021 total reserves stood at £325,102 (2020 - £297,424).

RESERVES POLICY

The trustees review the organisation's reserves annually, in line with guidance issued by the Charity Commission. The trustees wish to hold minimum three and four months' direct charitable expenditure as reserves. They believe reserves at this level ensure the organisation can run efficiently, meet the needs of its service users and liabilities to employees.

The Trustees have considered their policy on building up reserves and established that the appropriate level of free reserves is one that allows the charity to continue its normal activities in the event of a significant drop in funding or loss of projects. The Trustees aim to increase its free reserves in response to the higher risk of income reductions from public sector bodies and lower returns expected from charitable trust applications. The free reserves will enable Derman to meet its objectives if it faces a loss of income, increases in unfunded costs or delayed receipt of grants.

Derman also needed to invest in its reserves in order to respond to new payment by the activity model contract instead of block funding contracts. This will help us to continue to provide our core activities in the event of unexpected shortfall of income or delays in payment or payment in arrears.

PLANS FOR THE FUTURE

Despite the challenges we faced with Covid-19 in the last financial year, we have rapidly developed new ways of delivering services safely. Derman is dedicated to continuing to provide culturally appropriate and holistic services to Kurdish, Turkish and Turkish Cypriot communities in these difficult times using telephone and online platforms as well as face to face interactions. Our focus predominantly will be on the following areas:

- To ensure that Derman's services are sustainable and meet the Kurdish/ Turkish communities' needs using different platforms to deliver services.
- To seek opportunities to spread existing services to out of Hackney to respond the demand in North London due to the covid-19 pandemic.
- To make sure there is ongoing updates around compliance with the Data Protection policies and Information Governance procedures
- To keep up BACP accreditation and Trusted Charities quality mark.
- To continue to work in partnership with statutory and other voluntary organisations.

Derman is devoted to continuing the provision of high-quality services and support to Turkish, Kurdish and Turkish Cypriot communities in the challenging environment. Our focus will be responding the needs of vulnerable people and strengthening our position as a preferred provider.

TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2021

TRUSTEES

The trustees who served during the year are shown below:

Dr Elena Alexandrou
Kadriye Ali
Ziya Adnan
Dr Zerrin Atakan
Adem Celik
Dr Adam Forman
Nurullah Turan

STATEMENT OF TRUSTEES' RESPONSIBILITIES

Company and charity 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 the surplus or deficit of the charitable company for that period. In preparing those financial statements, the trustees are required to:-

- 1) select suitable accounting policies and then apply them consistently.
- 2) make judgements and estimates that are reasonable and prudent.
- 3) 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 2006 and the Charities Act 2011. They are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

SMALL COMPANY EXEMPTIONS

This report has been prepared and delivered in accordance with the provisions in Part 15 of Companies Act 2006 applicable to companies subject to the small companies' regime.

This report was approved by the board on 6 July 2021 and signed on their behalf.


Zafer Kursun
Company Secretary

DERMAN - FOR THE WELL-BEING OF THE KURDISH AND TURKISH COMMUNITIES
INDEPENDENT EXAMINER'S REPORT
FOR THE YEAR ENDED 31 MARCH 2021

I report on the charity trustees on my examination of the accounts of the Company for the year ended 31 March 2021.

Responsibilities and basis of report

As the charity's trustees of the Company (and also its directors for the purposes of company law) you are responsible for the preparation of the accounts in accordance with the requirements of the Companies Act 2006 ('the 2006 Act').

Having satisfied myself that the accounts of the Company are not required to be audited under Part 16 of the 2006 Act and are eligible for independent examination, I report in respect of my examination of your charity's accounts as carried out under section 145 of the Charities Act 2011 ('the 2011 Act'). In carrying out my examination I have followed the Directions given by the Charity Commission under section 145(5) (b) of the 2011 Act.

Independent examiner's statement

Since the Company's gross income exceeded £250,000 your examiner must be a member of a body listed in section 145 of the 2011 Act. I confirm that I am qualified to undertake the examination because I am a member of ACCA, which is one of the listed bodies.

I have completed my examination. I confirm that no matters have come to my attention in connection with the examination giving me cause to believe:

1. accounting records were not kept in respect of the Company as required by section 386 of the 2006 Act; or
2. the accounts do not accord with those records; or
3. the accounts do not comply with the accounting requirements of section 396 of the 2006 Act other than any requirement that the accounts give a 'true and fair view which is not a matter considered as part of an independent examination; or
4. the accounts have not been prepared in accordance with the methods and principles of the Statement of Recommended Practice for accounting and reporting by charities applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102).

I have no concerns and have come across no other matters in connection with the examination to which attention should be drawn in this report in order to enable a proper understanding of the accounts to be reached.



Alison Ward FCCA

6 July 2021

Alison Ward Accountants
28 Hills Road
Buckhurst Hill
Essex IG9 5RS

**STATEMENT OF FINANCIAL ACTIVITIES (including the Income and Expenditure Account)
FOR THE YEAR ENDED 31 MARCH 2021**

	Note	Unrestricted Funds £	Restricted Funds £	Total 2021 £	Unrestricted Funds £	Restricted Funds £	Total 2020 £
Income:							
Donations and legacies	2	10,043	-	10,043	10,030	-	10,030
Income from charitable activities	3	561,593	19,758	581,351	520,070	922	520,992
Income from investments	4	186	-	186	790	-	790
Total income		<u>571,822</u>	<u>19,758</u>	<u>591,580</u>	<u>530,890</u>	<u>922</u>	<u>531,812</u>
Expenditure on:							
Raising funds	5	9,435	-	9,435	10,238	-	10,238
Charitable activities	6	534,701	19,766	554,467	516,967	933	517,900
Total		<u>544,136</u>	<u>19,766</u>	<u>563,902</u>	<u>527,205</u>	<u>933</u>	<u>528,138</u>
Net income\expenditure		27,686	(8)	27,678	3,685	(11)	3,674
Reconciliation of Funds							
Total funds brought forward		<u>297,391</u>	<u>33</u>	<u>297,424</u>	<u>293,706</u>	<u>44</u>	<u>293,750</u>
Total funds carried forward		<u>325,077</u>	<u>25</u>	<u>325,102</u>	<u>297,391</u>	<u>33</u>	<u>297,424</u>

The company made no recognised gains and losses other than those reported in the income and expenditure account.

The notes on pages 14 to 23 form part of these financial statements

BALANCE SHEET AT 31 MARCH 2021

	Note	2021 £	2020 £
FIXED ASSETS			
Tangible assets	8	2,110	908
CURRENT ASSETS			
Debtors	9	35,799	28,402
Cash at bank and in hand		310,873	293,167
		346,672	321,569
CREDITORS: Amounts falling due within one year	10	(23,680)	(25,053)
NET CURRENT ASSETS		322,992	296,516
NET ASSETS		£ 325,102	£ 297,424
RESERVES			
Unrestricted funds	11	325,077	297,391
Restricted funds	11	25	33
		£ 325,102	£ 297,424

In approving these financial statements as directors of the company we hereby confirm the following:

For the year in question the company was entitled to exemption under section 477 of the Companies Act 2006 relating to small companies.

Directors' responsibilities:

The members have not required the company to obtain an audit for its accounts for the year in question in accordance with section 476,

The directors acknowledge their responsibilities for complying with the requirements of the Act with respect to accounting records and the preparation of accounts.

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

The accounts were approved by the board of trustees/directors on 6 July 2021



Nurullah Turan, Chair

The notes on pages 14 to 23 form part of these financial statements

**STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 MARCH 2021**

	Note	2021 £	2020 £
Cashflows from operating activities			
Net cash provided by (used in) operating activities	12	43,009	43,009
Cash flows from investing activities:			
Dividends, interest and rents from investments		186	790
Change in cash and cash equivalents in the reporting period		43,195	43,799
Cash and cash equivalents at the beginning of the reporting period		293,167	249,368
Cash and cash equivalents at the end of the reporting period		£ 293,167	£ 293,167

The notes on pages 14 to 23 form part of these financial statements

**NOTES TO THE ACCOUNTS
FOR THE YEAR ENDED 31 MARCH 2021**

1. ACCOUNTING POLICIES

1a. 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) (effective 1 January 2015) - (Charities SORP (FRS 102)) as amended by Update Bulletin 1 issued in February 2016 and the Financial Reporting Standard applicable in the UK Republic of Ireland (FRS 102).

Derman meets the definition of a public benefit entity under FRS102. Assets and liabilities are initially recognised at historical cost or transaction value unless otherwise stated in the relevant accounting policy note(s).

1b. Preparation of the accounts on a going concern basis

Derman has reported a surplus of £27,678 for the year. The trustees are of the view that the immediate future of the charity for the next 12 to 18 months is secure and that on this basis the charity is a going concern.

1c. Income

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

Income from government and other grants, whether 'capital' grants or 'revenue' grants, is recognised when the charity has entitlement to the funds, any performance conditions attached to the grants have been met, it is probable that the income will be received and the amount can be measured reliably and is not deferred.

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

**NOTES TO THE ACCOUNTS (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2021**

1. ACCOUNTING POLICIES (CONTINUED)

1d. Donated services and facilities

Donated professional services and donated facilities are recognised as income when the charity has control over the item, any conditions associated with the donated item have been met, the receipt of economic benefit from the use by the charity of the item is probable and that economic benefit can be measured reliably. In accordance with the Charities SORP (FRS 102), general volunteer time is not recognised. The trustees' annual report contains information about the contribution to the charity made by volunteers.

On receipt, donated professional services and donated facilities are recognised on the basis of the value of the gift to the charity which is the amount the charity would have been willing to pay to obtain services or facilities of equivalent economic benefit on the open market; a corresponding amount is then recognised in expenditure in the period of receipt.

1e. 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 on notification of the interest paid or payable by the Bank.

1f. Funds

Unrestricted funds are available to spend on activities that further any of the purposes of charity. Designated funds are unrestricted funds of the charity which the trustees have decided at their discretion to set aside to use for a specific purpose. Restricted funds are donations or grants which the donor has specified are to be used solely for particular purposes/areas of the charity's work or for specific projects undertaken by the charity.

1g. 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 comprise the costs of staff time and associated support costs.
- Expenditure on charitable activities includes the direct costs of providing the services and other activities undertaken to further the purposes of the charity and includes 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.

**NOTES TO THE ACCOUNTS (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2021**

1. ACCOUNTING POLICIES (CONTINUED)

1h. Allocation of support costs

Support costs are those functions that assist the work of the charity but do not directly undertake charitable activities. Support costs include back office costs, finance personnel, payroll and governance costs which support the charity's grant programme and activities. These costs have been allocated between cost of raising funds and expenditure on charitable activities.

1i. Tangible fixed assets

Fixed assets are shown at historical cost. The cost of minor additions costing less than £500 are not capitalised.

Depreciation is provided at the following annual rates in order to write off each asset over its estimated useful life by the reducing balance method.

	%
Office equipment	25
Furniture and equipment	25

1j. Debtors

Trade and other debtors are recognised at the settlement amount due after any trade discount offered. Prepayments are valued at the amount prepaid net of any trade discounts due.

1k. 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.

1l. 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. Creditors and provisions are normally recognised at their settlement amount after allowing for any trade discounts due.

1m. Taxation

The charitable company is exempt from taxation under sections 466 to 493 of the Corporation Tax Act 2010.

NOTES TO THE ACCOUNTS (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2021

1. ACCOUNTING POLICIES (CONTINUED)

1n. Pensions

The company operates a defined contribution pension scheme and the pension charge represents the amounts payable by the company to the fund in the year.

2. DONATIONS AND LEGACIES

	Unrestricted Funds £	Restricted Funds £	Total 2021 £	Total 2020 £
Donations	10,043	-	10,043	10,030
	<u>£ 10,043</u>	<u>£ -</u>	<u>£ 10,043</u>	<u>£ 10,030</u>

NOTES TO THE ACCOUNTS (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2021

3. INCOME FROM CHARITABLE ACTIVITIES

	Unrestricted Funds £	Restricted Funds £	Total 2021 £	Total 2020 £
Health Advocacy and Advice Services				
Homerton University Hospital NHS Foundation Trust	95,872	-	95,872	95,872
LB Hackney through CAB (East End Citizens Advice Bureaux)	26,271	-	26,271	24,082
London Borough of Hackney	-	-	-	922
LB Hackney through HIAC (lead by SAFH)	-	-	-	1,064
LB Hackney through the Advocacy Project	8,280	-	8,280	-
City Bridge Trust (Community Response Fund)	-	19,758	19,758	-
Hackney CVS through Day-Mer (Hackney Giving Coronavirus Response Fund)	3,427	-	3,427	-
Other income - GP surgeries	20,406	-	20,406	16,940
Mental Health Services				
LB Hackney - Public Health through MIND	126,340	-	126,340	189,476
GamCare	31,389	-	31,389	13,758
Homerton University Hospital NHS Foundation Trust	9,000	-	9,000	-
CCG Hackney	194,543	-	194,543	168,209
Big Lottery through Minik Kardes East London Foundation Trust (ELF) through Hackney Mind	32,007	-	32,007	10,669
	13,608	-	13,608	-
Other	450	-	450	-
	<u>£ 561,593</u>	<u>£ 19,758</u>	<u>£ 581,351</u>	<u>£ 520,992</u>

In 2020 the income received from London Borough of Hackney of £922 was restricted. All other income was unrestricted.

NOTES TO THE ACCOUNTS (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2021

4. INCOME FROM INVESTMENTS

	Unrestricted Funds £	Restricted Funds £	Total 2021 £	Total 2020 £
Bank interest receivable	186	-	186	790
	<u>£ 186</u>	<u>£ -</u>	<u>£ 186</u>	<u>£ 790</u>

5. COST OF RAISING FUNDS

	Unrestricted Funds £	Restricted Funds £	Total 2021 £	Total 2020 £
Support costs for fundraising	9,435	-	9,435	10,238
	<u>£ 9,435</u>	<u>£ -</u>	<u>£ 9,435</u>	<u>£ 10,238</u>

6. EXPENDITURE ON CHARITABLE ACTIVITIES

	Unrestricted Funds £	Restricted Funds £	Total 2021 £	Total 2020 £
Health Advocacy and Advice	149,733	19,758	169,491	157,713
Mental Health	381,589	8	381,597	355,077
Governance costs	3,379	-	3,379	5,110
	<u>£ 534,701</u>	<u>£ 19,766</u>	<u>£ 554,467</u>	<u>£ 517,900</u>

In 2020 the £157,713 expenditure on Health Advocacy and Advice was unrestricted. The £355,077 expenditure on Mental Health was £354,144 unrestricted and £933 restricted. All expenditure on Governance was unrestricted.

NOTES TO THE ACCOUNTS (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2021

7. GOVERNANCE COSTS

	Unrestricted Funds £	Restricted Funds £	Total 2021 £	Total 2020 £
Independent examiner's fees	2,280	-	2,280	2,160
AGM costs	1,086	-	1,086	2,937
Companies House filing fee	13	-	13	13
	<u>£ 3,379</u>	<u>£ -</u>	<u>£ 3,379</u>	<u>£ 5,110</u>

8. TANGIBLE FIXED ASSETS

	Furniture & equipment £	Office equipment £	Total £
Cost			
At 1 April 2020	9,857	17,541	27,398
Additions	-	1,905	1,905
At 31 March 2021	<u>9,857</u>	<u>19,446</u>	<u>29,303</u>
Depreciation			
At 1 April 2020	9,813	16,677	26,490
For the year	11	692	703
At 31 March 2021	<u>9,824</u>	<u>17,369</u>	<u>27,193</u>
Net Book Amounts			
At 31 March 2021	<u>£ 33</u>	<u>£ 2,077</u>	<u>£ 2,110</u>
At 31 March 2020	<u>£ 44</u>	<u>£ 864</u>	<u>£ 908</u>

NOTES TO THE ACCOUNTS (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2021

9. DEBTORS	2021	2020
	£	£
Trade debtors	34,496	26,701
Other debtors	24	396
Prepayments	1,279	1,305
	<u>£ 35,799</u>	<u>£ 28,402</u>

10. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR	2021	2020
	£	£
Trade creditors	1,450	3,486
Other creditors including taxation and social security	9,380	9,143
Accruals	7,515	7,089
Deferred income	5,335	5,335
	<u>£ 23,680</u>	<u>£ 25,053</u>

11. ANALYSIS OF NET ASSETS BETWEEN FUNDS

	Unrestricted Funds	Restricted Funds	Total 2021	Unrestricted Funds	Restricted Funds	Total 2020
	£	£	£	£	£	£
Fund Balances at 31 March 2021 are represented by						
Tangible fixed assets	2,085	25	2,110	875	33	908
Current assets	346,672	-	346,672	321,569	-	321,569
Current liabilities	(23,680)	-	(23,680)	(25,053)	-	(25,053)
Total Net Assets	<u>£ 325,077</u>	<u>£ 25</u>	<u>£ 325,102</u>	<u>£ 297,391</u>	<u>£ 33</u>	<u>£ 297,424</u>

NOTES TO THE ACCOUNTS (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2021

12. RECONCILIATION OF OPERATING PROFIT TO NET CASH FLOW FROM OPERATING ACTIVITIES

	2021	2020
	£	£
Operating surplus	27,679	3,674
Depreciation	704	303
(Increase)/Decrease in debtors	(7,397)	30,472
(Decrease)/Increase in creditors	(1,373)	9,350
Net cash outflow from operating activities	<u>£ 43,799</u>	<u>£ 26,158</u>

13. OPERATING SURPLUS

	2021	2020
	£	£
Surplus is stated after charging:		
Depreciation	703	303
Staff costs (note 14)	<u>468,659</u>	<u>439,383</u>

14. STAFF COSTS AND REMUNERATION OF KEY MANAGEMENT PERSONNEL

The charity considers its Key Management Personnel to be the trustees/directors and the Director who is also the company secretary.

Staff costs during the year amounted to:	2021	2020
	£	£
Wages and salaries	433,224	404,594
Social security costs	29,387	29,054
Pension costs	6,048	5,735
	<u>£ 468,659</u>	<u>£ 439,383</u>

The average weekly number of employees during the year was 24 (2020 - 25)

No employee earned more than £60,000 during the year.

The trustees neither received nor waived any emoluments during the year (2020 - £Nil)

NOTES TO THE ACCOUNTS (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2021

15. RELATED PARTIES

The trustee Nurullah Turan is an employee of the London Borough of Hackney from which Derman received funding during the year. His employment does not involve him in funding decisions affecting the charity.

As stated above there were no trustee expenses. There are no other related party transactions.