


Charity number: 1091156



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## Centre for Mental Health

### Reference and administrative details

For the year ended 5 April 2016

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**Company number** 4373019

**Charity number** 1091156

**Registered office  
and operational  
address** 134-138 Borough High Street  
London  
SE1 1LB

**Trustees** Trustees, who are also directors under company law, who served during the year and up to the date of this report were as follows:

Lady Elizabeth Vallance	Chair
Mr Richard Fass	Treasurer
Professor Susan Bailey	
Rt. Hon Lord Bradley of Withington	
Ms Sophie Corlett	
Sir Andrew Dillon	
Lady Edwina Grosvenor	
Dr Ian McPherson	

<b>Principal staff</b>	Prof Sean Duggan RGN RMN MBA	Chief Executive
	Mr Andrew Bell BA MA	Deputy Chief Executive
	Mr David Lyon BA FCCA	Director of Resources
	Ms Jan Hutchinson MA DipSW	Director of Programmes

**Bankers** National Westminster Bank  
20 Dean Street  
London  
W1A 1SX

**Solicitors** Russell Cooke  
8 Bedford Row  
London  
WC1R 4BX

**Auditors** Sayer Vincent LLP  
Chartered Accountants and Registered Auditors  
Invicta House  
108-114 Golden Lane  
London  
EC1Y 0TL

## **Centre for Mental Health**

### **Report of the trustees**

#### **For the year ended 5 April 2016**

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The trustees present their report and the audited financial statements for the year ended 5 April 2016.

Reference and administrative information set out on page 2 forms part of this report. The financial statements comply with current statutory requirements, the memorandum and articles of association and the Statement of Recommended Practice - Accounting and Reporting by Charities (FRS102, 2015).

#### **Structure, governance & management**

The organisation is a charitable company limited by guarantee, incorporated on 13 February 2002 and registered as a charity on 1 March 1985.

The company was established under a memorandum of association which established the objects and powers of the charitable company and is governed under its articles of association.

All trustees give their time voluntarily and receive no benefits from the charity. There were no trustee expenses reclaimed from the charity.

Centre for Mental Health is run by a Board of Trustees who are the Directors and Members of the charitable company; their details are set out above. Trustees concern themselves with matters of a strategic nature, deciding broad policy and ensuring good governance and compliance. Trustees meet regularly, both in plenary or in Committee groups to oversee the affairs of the Centre. Trustees are recruited for their expertise and experience in mental health, in charity governance, in fundraising and in financial management as well as their commitment to and enthusiasm for the Centre's aims and objectives.

The Nominations Committee oversees the recruitment, induction and training of all trustees. All trustees participate in external and internal training opportunities covering developments in mental health as well as charity governance and trustee responsibilities.

The Finance and Audit Committee has a special responsibility for issues of financial control, human resources, governance and risk management.

A Remuneration Committee decides on staff reward including salaries, and implements the Board's pay and reward framework with regard to senior staff. The framework takes into account charity pay benchmarking but also considers the specialist nature of the work carried out by staff at the Centre when identifying appropriate levels of remuneration.

Trustees delegate day to day management to the Executive team lead by the Chief Executive. Trustees are advised of the terms of reference for executive committees and processes for operational management.

## **Centre for Mental Health**

### **Report of the trustees**

**For the year ended 5 April 2016**

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#### **Objectives and activities**

##### **Purposes and aims**

Public benefit focus on ensuring that our activities achieve our charitable aims.

The trustees review the aims, objectives and activities of the charity each year. This report looks at what the charity has achieved and the outcomes of its work within the last twelve months. The trustees report the success of each key activity and the benefits the charity 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.

#### **Achievements and performance in the delivery of public benefit**

The charity's main activities and who it tries to help are described below. All its charitable activities focus on the advancement of learning in the science and practice of mental health care, and are undertaken to further Centre for Mental Health's charitable purposes for the public benefit.

Centre for Mental Health is an independent charity that changes the lives of people with mental health problems.

We are the UK's leading authority in mental health research. We use research to change people's lives.

- We identify the biggest gaps in support.
- We discover how problems can be solved and provide the evidence for change.
- We work with government, policymakers, service providers and commissioners to create social change.
- We save society money and we improve people's lives.

#### **Achievement of our objectives for 2015/16**

The Centre has made a major impact on mental health policy both nationally and in local areas across the country during 2015/16. We describe below some of the most significant developments relating to our six objectives for the year ended 5 April 2016.

## **Centre for Mental Health**

### **Report of the trustees**

**For the year ended 5 April 2016**

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#### **1. To improve the employment prospects of people with mental health conditions**

In 2015/16 the Centre brought about significant change in the way people with mental health problems are supported into work. With funding from the Department of Health, we are helping people across England to get into employment by extending the availability of Individual Placement and Support – the most effective approach to supported employment for people with mental health problems. Through the 'Making IPS Work' programme we have trained teams in Berkshire, Bradford, Lincolnshire and the London Borough of Barnet to offer high quality employment support. This programme is part of our long-term ambition to make IPS available to people using mental health services across the country.

In February 2016, NHS England's *Five Year Forward View for Mental Health* included a commitment to double the number of people benefiting from IPS by 2020/21, building on the Centre's analysis of the human and economic benefits of this investment. The Centre identified that investing in IPS generates substantial savings to the NHS in reduced health service use. As a result the implementation of the *Five Year Forward View* will include a focus on embedding IPS within mental health services nationally.

The Centre's ground-breaking initiative to offer employment support to people with mental health problems in prison is achieving good results. With funding from The Henry Smith Charity, the JP Getty Charitable Trust and the Garfield Weston Foundation, we are testing whether placing employment specialists in seven prisons in the West Midlands and supporting people 'through the gates' when they are released will help more former prisoners to get work and improve their health. This is a challenging project but initial results from the pilot are very encouraging.

The Centre also worked with The Poppy Factory in 2015 to evaluate its Employability service for armed forces veterans with mental health problems. We found that The Poppy Factory provided veterans with invaluable support to get into employment.

#### **2. To improve the support offered to people in the criminal justice system with or facing mental health conditions**

The Centre is supporting the development of liaison and diversion services across England, helping to put teams in police stations and courts to identify and support adults and children who have mental health or learning difficulties. By the end of 2015/16, police stations and courts covering half of the population had access to a liaison and diversion service. The Centre is working most closely with these services in London where we facilitate a liaison and diversion network with funding from NHS England.

In 2015, the Centre carried out a review for the Ministry of Justice and Department of Health of mental health support in the criminal justice system. Our review provided up-to-date intelligence about the views and experiences of people throughout the criminal justice system and made practical recommendations about where improvements are needed.

The Centre is working with the charity MAC-UK to evaluate its pioneering Integrate Model for offering mental health support to young people involved in gangs. The Centre is monitoring the impact of four local projects run by MAC-UK in London to explore whether its approach is improving young people's health and reducing levels of offending. Our research has found that the projects are making a significant impact on the mental health of the young people involved.

## **Centre for Mental Health**

### **Report of the trustees**

#### **For the year ended 5 April 2016**

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Following a sharp rise in the number of prison suicides in 2014 and 2015, the Centre is working with the Howard League, funded by the Monument Trust, to explore ways in which the risk of suicide among prisoners of all ages can be reduced. The two-year project is exploring prisoners' experiences in order to develop recommendations for improving support to those at risk of taking their own lives and preventing suicides.

#### **3. To improve the life chances of children with or at risk of mental ill health**

The Centre is working with the Centre for Longitudinal Studies at University College London to analyse data relating to the mental health of children born in the year 2000. With funding from the Economic and Social Research Council, we are studying the findings of the Millennium Cohort Study to explore the risk factors for poor mental health and the impact it has on a child's life. The first report of this project was published in November 2015, showing that one child in five had already experienced a mental health difficulty at least once by the age of 11, and that children from the poorest households are four times as likely to have a mental health problem as those from the wealthiest families.

With funding from Comic Relief, the Centre is working with Mind, The Integrate Movement and three organisations in Birmingham (The Birmingham Repertory Theatre, First Class Legacy and St Basil's network of hostels) to establish innovative resilience boosting and early intervention initiatives in the city for young African Caribbean men. The Centre is evaluating the initiative.

In 2015, the Centre provided evidence to The Royal Foundation on trends and priority issues in children and young people's mental health in the UK. The Centre is also working in partnership with Place2Be supporting the development of their parent counselling programme.

#### **4. To build the capacity of mental health services to become recovery-oriented**

From 2011 to 2016, the Centre partnered with the NHS Confederation Mental Health Network to deliver the Implementing Recovery through Organisational Change (ImROC) programme. The programme helped to bring about unprecedented levels of change in mental health services to enable them to support people in their personal recovery. For example we helped local services to establish Recovery Colleges that offer educational opportunities to people living with mental health problems, their families and friends, and the professionals who support them.

From April 2016, the ImROC programme will be hosted by the University of Nottingham. The Centre will continue to support mental health services to focus on personal recovery and to seek out innovative approaches to making a difference in people's lives.

#### **5. To influence wider policies and practices that affect people living with or facing mental ill health**

The Centre has been at the heart of efforts to raise the profile of mental health and secure fairer treatment for people with mental health problems in 2015/16. We carried out research for the independent Mental Health Taskforce to assist in the production of the *Five Year Forward View for Mental Health*, published in February 2016. The Centre provided economic analysis of priority areas for £1 billion of new investment in mental health support and reviewed the implementation of previous strategies to ensure lessons were learned from experience.

## **Centre for Mental Health**

### **Report of the trustees**

#### **For the year ended 5 April 2016**

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At the local level, the Centre is working alongside six other mental health organisations in supporting local authorities to champion mental health locally through the Mental Health Challenge. During 2015/16, the number of councils joining the Challenge doubled, from 40 to 80. Through our growing network of member champions, we are supporting local areas to improve support for people with mental health problems, boost the mental health of their populations and tackle stigma and discrimination.

The Centre also offers training and advice to local clinical commissioning groups (CCGs) and local authorities to help them to review local services and identify priorities for improving the support they offer. With the NHS Benchmarking Network and University of Birmingham, we trained 50 mental health commissioners in the West Midlands in using data and economic evidence in January 2015. Further sessions are planned for 2016/17.

The Centre works closely with the Forces in Mind Trust to support its aim of improving support offered to armed forces veterans and their families when they make the transition to civilian life. We are working alongside the King's Centre for Military Health Research to support the mental health programme for Forces in Mind and ensure funds are focused in the most effective ways possible.

#### **6. To achieve our fundraising targets for each of the next five years**

The Centre is an independent charity, working to create a fairer chance in life for people with mental health problems. A donation to Centre for Mental Health can help to secure improvements in the lives of people across the UK by bringing evidence to bear on policy and practice, nationally and locally.

We would like to thank all of those who have donated to our work during 2015/16. With your support, we will be able to make a difference to people's lives nationwide, providing independent analysis and supporting innovation that will offer a fairer chance in life to people with mental health problems.

### **Financial Review**

Unrestricted income for the year amounted to £1,083,111 (2014/15 – £936,030) whilst unrestricted expenditure amounted to £1,269,281, (2014/15 - £1,102,712). This gave rise to a deficit of unrestricted funds for the year of £210,138 (2014/15 –£166,682), as shown on the Statement of Financial Activities

The deficit on unrestricted funds has arisen as the Centre continues to build its fundraising capacity and utilises reserves built up from the unused elements of the Gatsby final grant to this end.

Activity within restricted funds has also given rise to a deficit in the year of £141,276. This does not represent a call on reserves, as the deficit is instead covered by restricted funds carried forward within projects that are active over a number of financial years. Details of these restricted activities and funds can be found in note 20 to the accounts.

Total consolidated funds carried forward at 5 April 2016 are £862,394 (2014/15: £1,213,808).

The Gatsby Charitable Foundation, through its support for core costs, helped ensure that the Centre can meet its objectives. Gatsby grants for core activities amounted to £300,000, accounting for approximately 18% of the year's total income (2014/15 - 17%).

## Centre for Mental Health

### Report of the trustees

#### For the year ended 5 April 2016

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##### *Reserves Policy*

Reserves are required to:

- \* smooth out surpluses and deficits year on year;
- \* replace capital expenditure or restructure the organisation;
- \* deal with the effects of any risks that materialise;
- \* allow the organisation to take on opportunities that may arise in a timely manner;
- \* deal with the unexpected.

Trustees are required to set an appropriate minimum level of reserves, and in doing so take into account these reasons for holding reserves, as well as current and future financial needs.

The trustees have decided to set minimum reserves at 50% of anticipated annual core expenditure, as indicative of the operating reserves required by a charity of this size. As at 5 April 2016, that will require minimum free reserves of £650,000 to be held (2015: £650,000).

In view of the demands on unrestricted funds that will arise over the next few years, and as existing guaranteed core funding is significantly reduced, and the Centre continues to build its internal capacity to generate replacement core funding, the trustees designated £450,000 in 2013 to meet those medium term strategic objectives. This designated fund was reduced by £210,138 during the year to meet those objectives, leaving £73,810 under the designation at the start of 2016/17.

Group free reserves held at 5 April 2016 amounted to £621,887, being group net assets of £862,394, less restricted funds of £138,584, tangible fixed assets of £28,113 and designated funds of £78,310.

The Trustees consider that the level of reserves held is within an appropriate margin of the minimum level as set, given the need to be able to respond to fundraising opportunities, and that the going concern basis remains appropriate for the preparation of the group's accounts. This policy is reviewed as necessary by Trustees and at least once a year as part of the annual reporting process.

##### *Trading subsidiary*

Centre for Mental Health Training Ltd is a wholly-owned subsidiary of Centre for Mental Health that carries out programme-related trading activity on behalf of the parent charity. During 2014/15 sales income was derived from a number of sources including sales of the Workplace Training packages offered under licence from *beyondblue*, a mental health charity in Australia, and consultancy services. The subsidiary made an operating profit of £64,175 (2014/15: £95,515), which has been donated via Gift Aid to the charitable parent. Further details are given in Note 12 on page 24 of the financial statements.



## **Centre for Mental Health**

### **Report of the trustees**

**For the year ended 5 April 2016**

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#### *Risk Management*

The Trustees are responsible for the management of the risks faced by the charity. Detailed consideration of the process of risk management is delegated to the Finance and Audit Committee, which is assisted by senior charity staff and external experts. Risks are identified, assessed and controls established throughout the year. A formal review of the charity's risk management processes is undertaken on a regular basis. The key controls used by the charity include:

- \* formal reporting of risk management processes to Trustees' meetings;
- \* detailed terms of reference for all sub-committees;
- \* comprehensive strategic planning, budgeting and management accounting;
- \* established organisational and governance structure and lines of reporting;
- \* formal written policies;
- \* hierarchical authorisation and approval levels.

Trustees view the challenge of finding replacement sustainable core funding following the Gatsby Charitable Foundation's decision to withdraw the core grant, and the ability to attract and retain key staff as the principal risks faced by the charity. The trustees consider that, having drawn up and commenced the implementation of a five year income generation strategy, this risk is being appropriately addressed.

Through the risk management processes established by the charity, the Trustees are satisfied that the major risks identified have been adequately managed where necessary. It is recognised that systems can only provide reasonable but not absolute assurance that major risks have been adequately managed.

#### **Plans for the future**

##### **Objectives for 2016/17**

The Centre's new five-year strategic plan for 2016 to 2020 sets out five ambitions for 2020 to change the lives of people with mental health problems and address some of the biggest gaps in support people face today.

##### **1 Giving more children the best start in life**

*By 2020, we want more children to get quicker, more effective and more relevant help for their mental health.*

We will help local authorities, mental health services, schools and GPs across the country to offer the right help at the right time to children at risk of long-lasting mental health problems.

## **Centre for Mental Health**

### **Report of the trustees**

**For the year ended 5 April 2016**

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#### **2 Helping more people with mental health problems to get work**

*By 2020, we want people with mental health problems who would like help with work to have access to an IPS service.*

We will provide help and training for services to make effective employment support available in more areas.

#### **3 Keeping people with mental health problems out of prison**

*By 2020, we want all police stations and courts to have access to Liaison and Diversion services.*

We will support innovative approaches to helping people in or on the edges of the criminal justice system to get better help.

#### **4 Breaking down the divide between mental and physical health care**

*By 2020, we want people who have both mental and physical health problems to get more integrated support.*

We will seek new ways of improving mental health support for people with long-term conditions, especially those with the most complex health problems.

#### **5 Tackling the biggest inequalities in mental health**

*By 2020, we want people who face the poorest life chances to have their needs met more quickly and effectively.*

We will explore why some people have a greater risk of mental ill health than others and help services to reduce inequalities.

#### **Financial sustainability and independence**

In support of our objectives, we are also seeking to achieve financial sustainability for our work for the long term. We are working to ensure that the Centre is financially independent, generating income from a range of sources. This is vital to help it to retain its vital independence and authority; to innovate and explore new challenges; and to take a long-term view of what will make the biggest difference to people's lives.

#### **Activities planned for 2016/17**

The following activities are planned for the year ahead in pursuit of the Centre's charitable objectives:

##### *Keeping people with mental health problems out of prison*

We will continue to support the development of Liaison and Diversion services across England through a combination of our work with the Offender Health Collaborative and specific pieces of work in local areas and regions. This will include our support for the London Liaison and Diversion Network.

## **Centre for Mental Health**

### **Report of the trustees**

#### **For the year ended 5 April 2016**

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We will complete our work in partnership with the Howard League for Penal Reform, funded by The Monument Trust, to explore ways of preventing suicides in prison.

We will conclude our evaluation of MAC-UK's work with gang members in London and will publish the results of our work. The final project we are evaluating is based in Haringey.

We will carry out a mental health needs analysis of Immigration Removal Centres in England.

#### *Helping more people with mental health problems to get work*

We will continue to manage the three-year Regional Trainer programme to support the expansion of Individual Placement and Support across England. Following the Mental Health Taskforce recommendation that coverage of IPS should double by 2020/21, we hope to extend the programme and provide training and support to more local areas.

We will report on the results of our pioneering work to pilot the use of IPS with prisoners with mental health problems in the West Midlands.

We will develop new work to apply IPS to homeless people, with Homeless Link and Thames Research, and in veterans' mental health services.

#### *Giving more children the best start in life*

We will publish a major evidence review about the mental health of children and young adults in the UK.

We will continue to work with Mind, The Integrate Movement and three organisations in Birmingham establishing some innovative resilience boosting and early intervention initiatives in the city for young African Caribbean men.

We will continue our partnership with Place2Be supporting the development of their parent counselling programme.

We will publish our review, funded by the Barrow Cadbury Trust, of the costs of traumatic brain injury and crime.

#### *Tackling the biggest inequalities in mental health*

We will complete our review of what a 'good' JSNA for mental health looks like, with funding from Public Health England, and support their ongoing work to improve local needs assessments and public mental health activity.

The Centre aims to continue to exert an effective influence on local and national policies relating to mental health and in support of this we will:

- Provide high quality evidence to CCGs to help them to bring about change, including by delivering two more 'masterclass' sessions with NHS England and the NHS Benchmarking Network.

## **Centre for Mental Health**

### **Report of the trustees**

#### **For the year ended 5 April 2016**

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- Develop the Mental Health Challenge, growing the number of councils with a member champion for mental health and providing them with high quality briefings and information to raise the profile of mental health and bring evidence to bear locally.
- Contribute to media debate about mental health, offering evidence-based comment and analysis and publicising our major reports.
- Use social media channels and other online media tools to communicate our key research findings and policy messages.
- Contribute to the Mental Health Policy Group and other national coalitions relating to our areas of interest and concern.

#### **Statement of responsibilities of the trustees**

The trustees (who are also directors of Centre for Mental Health for the purposes of company law) are responsible for preparing the report of the trustees' and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

Company law requires the trustees to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the charitable company and of the incoming resources and application of resources, including the income and expenditure, of the charitable company for that period. In preparing these financial statements, the trustees are required to:

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

The trustees are responsible for keeping proper accounting records that disclose with reasonable accuracy at any time the financial position of the charitable company and enable them to ensure that the financial statements comply with the Companies Act 2006 [the Charities and Trustee Investment (Scotland) Act 2005 and the Charities Accounts (Scotland) Regulations 2006 (as amended)]. 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.

## **Centre for Mental Health**

### **Report of the trustees**

**For the year ended 5 April 2016**

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In so far as the trustees are aware:

- there is no relevant audit information of which the charitable company's auditors are unaware; and
- 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.

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

Members of the charity guarantee to contribute an amount not exceeding £1 to the assets of the charity in the event of winding up. The total number of such guarantees at 5 April 2016 was 8 (2015 - 8). The trustees are members of the charity but this entitles them only to voting rights. The trustees have no beneficial interest in the group or the charity.

#### **Auditors**

Sayer Vincent LLP were re-appointed as the charitable company's auditors during the year and have expressed their willingness to continue in that capacity.

The report of the trustees has been prepared in accordance with the special provisions applicable to companies subject to the small companies' regime.

Approved by the trustees on 13 July 2016 and signed on their behalf by



Lady Elizabeth Vallance  
Chairman

## **Independent auditor's report**

**To the members of**

**Centre for Mental Health**

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We have audited the financial statements of name of charitable company for the year ended 5 April 2016 which comprise the consolidated statement of financial activities, the balance sheets, consolidated statement of cashflows and the related notes. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

This report is made solely to the company's members as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006 and 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 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 explained more fully in the statement of trustees' responsibilities set out in the report of the trustees, the trustees (who are also the directors of the charitable company for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view.

Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

### **Scope of the audit of the financial statements**

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of: whether the accounting policies are appropriate to the charitable company's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the trustees; and the overall presentation of the financial statements. In addition, we read all the financial and non-financial information in the report of the trustees to identify material inconsistencies with the audited financial statements and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

## **Independent auditor's report**

**To the members of**

**Centre for Mental Health**

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### **Opinion on financial statements**

In our opinion the financial statements:

- give a true and fair view of the state of the group's and charitable company's affairs as at 5 April 2016 and of the group's incoming resources and application of resources, including its income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

### **Opinion on other matter prescribed by the Companies Act 2006**

In our opinion the information given in the report of the trustees for the financial year for which the financial statements are prepared is consistent with the financial statements.

### **Matters on which we are required to report by exception**

We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you if, in our opinion:

- The parent charitable company has not kept adequate and sufficient accounting records, or returns adequate for our audit have not been received from branches not visited by us
- The parent charitable company financial statements are not in agreement with the accounting records and returns
- certain disclosures of trustees' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit; or
- The trustees were not entitled to prepare the financial statements in accordance with the small companies' regime and take advantage of the small companies' exemption in preparing the report of the trustees and take advantage of the small companies' exemption from the requirement to prepare a strategic report.

Judith Miller (Senior statutory auditor)

1 August 2016

for and on behalf of Sayer Vincent LLP, Statutory Auditors

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

Centre for Mental Health

Consolidated statement of financial activities (incorporating an income and expenditure account)

For the year ended 5 April 2016

	Note	Unrestricted £	Restricted £	2016 Total £	Unrestricted £	Restricted £	2015 Total £
<b>Income from:</b>							
Donations and legacies	2	304,887	-	304,887	402,199	-	402,199
<b>Charitable activities</b>							
Employment Support Programme	3	66,289	581,469	647,758	66,312	783,442	849,754
Prisons and Criminal Justice Programme	3	196,815	-	196,815	135,052	30,000	165,052
Children and Young People	3	102,959	27,234	130,193	130,168	18,869	149,037
Supporting Recovery	3	107,446	-	107,446	69,508	-	69,508
Influencing Policy and Practice	3	27,184	10,157	37,341	13,570	-	13,570
Other Programmes	3	276,960	-	276,960	117,027	2,919	119,946
Investments – Interest receivable		571	-	571	2,194	-	2,194
<b>Total income</b>		<b>1,083,111</b>	<b>618,860</b>	<b>1,701,971</b>	<b>936,030</b>	<b>835,230</b>	<b>1,771,260</b>
<b>Expenditure on:</b>							
Raising funds	4	178,921	-	178,921	157,868	-	157,868
<b>Charitable activities</b>							
Employment Support Programme	4	223,740	726,344	950,084	65,798	956,924	1,022,722
Prisons and Criminal Justice Programme	4	174,319	15,248	189,567	175,486	-	175,486
Children and Young People	4	208,917	27,712	236,629	212,796	18,869	231,665
Supporting Recovery	4	147,891	-	147,891	115,855	-	115,855
Influencing Policy and Practice	4	248,833	-	248,833	269,212	-	269,212
Other programmes	4	86,660	14,800	101,460	105,788	2,919	108,707
<b>Total expenditure</b>		<b>1,269,281</b>	<b>784,104</b>	<b>2,053,385</b>	<b>1,102,803</b>	<b>978,712</b>	<b>2,081,515</b>
<b>Net income / (expenditure) before transfers between funds</b>	5	<b>(186,170)</b>	<b>(165,244)</b>	<b>(351,414)</b>	<b>(166,773)</b>	<b>(143,482)</b>	<b>(310,255)</b>
<b>Transfers between funds</b>		<b>(23,968)</b>	<b>23,968</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Net movement in funds</b>		<b>(210,138)</b>	<b>(141,276)</b>	<b>(351,414)</b>	<b>(166,773)</b>	<b>(143,482)</b>	<b>(310,255)</b>
<b>Reconciliation of funds:</b>							
Total funds brought forward		933,948	279,860	1,213,808	1,100,721	423,342	1,524,063
<b>Total funds carried forward</b>		<b>723,810</b>	<b>138,584</b>	<b>862,394</b>	<b>933,948</b>	<b>279,860</b>	<b>1,213,808</b>

All of the above results are derived from continuing activities. There were no other recognised gains or losses other than those stated above. Movements in funds are disclosed in Note 20 to the financial statements.



Centre for Mental Health

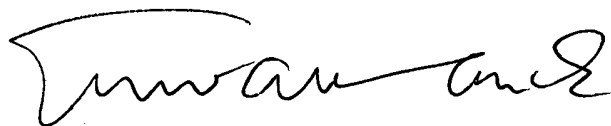
Balance sheets

Company no. 4373019

As at 5 April 2016

	Note	The group		The charity	
		2016	2015	2016	2015
		£	£	£	£
<b>Fixed assets:</b>					
Tangible assets	10	28,113	58,891	28,113	58,891
Investments	11	–	–	1,000	1,000
		<u>28,113</u>	<u>58,891</u>	<u>29,113</u>	<u>59,891</u>
<b>Current assets:</b>					
Debtors	14	322,876	1,023,646	466,241	972,783
Cash at bank and in hand		835,476	376,076	671,801	346,398
		<u>1,158,352</u>	<u>1,399,722</u>	<u>1,138,042</u>	<u>1,319,181</u>
<b>Liabilities:</b>					
Creditors: amounts falling due within one year	15	306,026	220,747	286,716	141,206
		<u>852,326</u>	<u>1,178,975</u>	<u>851,326</u>	<u>1,177,975</u>
<b>Net current assets</b>					
		<u>880,439</u>	<u>1,237,866</u>	<u>880,439</u>	<u>1,237,866</u>
<b>Total assets less current liabilities</b>					
Creditors: amounts falling due after one year	17	18,045	24,058	18,045	24,058
		<u>862,394</u>	<u>1,213,808</u>	<u>862,394</u>	<u>1,213,808</u>
<b>Total net assets</b>	19				
		<u>862,394</u>	<u>1,213,808</u>	<u>862,394</u>	<u>1,213,808</u>
<b>Funds:</b>	20				
Restricted income funds		138,584	279,860	138,584	279,860
Unrestricted income funds:					
Designated funds		73,810	283,948	73,810	283,948
General funds		650,000	650,000	650,000	650,000
		<u>723,810</u>	<u>933,948</u>	<u>723,810</u>	<u>933,948</u>
<b>Total unrestricted funds</b>					
		<u>862,394</u>	<u>1,213,808</u>	<u>862,394</u>	<u>1,213,808</u>
<b>Total funds</b>					
		<u>862,394</u>	<u>1,213,808</u>	<u>862,394</u>	<u>1,213,808</u>

Approved by the trustees on 13 July 2016 and signed on their behalf by



Lady Elizabeth Vallance  
Chairman

Centre for Mental Health

Consolidated statement of cash flows

For the year ended 5 April 2016

	2016 £	2015 £
<b>Cash flows from operating activities</b>		
Net cash provided by / (used in) operating activities	458,829	(460,153)
<b>Cash flows from investing activities:</b>		
Dividends, interest and rents from investments	571	2,194
<b>Change in cash and cash equivalents in the year</b>	<b>459,400</b>	<b>(457,959)</b>
Cash and cash equivalents at the beginning of the year	376,076	834,035
<b>Cash and cash equivalents at the end of the year</b>	<b>835,476</b>	<b>376,076</b>

Reconciliation of net income / (expenditure) to net cash flow from operating activities

	2016 £	2015 £
Net income expenditure for the reporting period (as per the statement of financial activities)	(351,414)	(310,255)
Depreciation charges	30,778	31,187
Dividends, interest and rent from investments	(571)	(2,194)
(Increase)/decrease in debtors	700,770	(266,176)
Increase in creditors	79,266	87,285
<b>Net cash provided by / (used in) operating activities</b>	<b>458,829</b>	<b>(460,153)</b>

Analysis of cash and cash equivalents

	At 6 April 2015 £	Cash flows £	Other changes £	At 5 April 2016 £
Cash in hand	376,076	459,400	–	835,476
<b>Total cash and cash equivalents</b>	<b>376,076</b>	<b>459,400</b>	<b>–</b>	<b>835,476</b>

**1 Accounting policies**

**a) 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), the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) and the Companies Act 2006.

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

These financial statements consolidate the results of the charitable company and its wholly-owned subsidiary Centre for Mental Health Training Limited on a line by line basis. Transactions and balances between the charitable company and its subsidiary have been eliminated from the consolidated financial statements. Balances between the two companies are disclosed in the notes of the charitable company's balance sheet. A separate statement of financial activities, or income and expenditure account, for the charitable company itself is not presented because the charitable company has taken advantage of the exemptions afforded by section 408 of the Companies Act 2006.

**b) Reconciliation with previously Generally Accepted Accounting Practice (GAAP)**

In preparing the accounts, the trustees have considered whether in applying the accounting policies required by FRS 102 and the Charities SORP FRS 102 a restatement of comparative items was required. The transition date was 1 April 2014.

**c) Public benefit entity**

The charitable company 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 charitable company's ability to continue as a going concern.

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 period.

**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.

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.

**1 Accounting policies (continued)**

For legacies, entitlement is taken as the earlier of the date on which either: the charity is aware that probate has been granted, the estate has been finalised and notification has been made by the executor(s) to the charity that a distribution will be made, or when a distribution is received from the estate. Receipt of a legacy, in whole or in part, is only considered probable when the amount can be measured reliably and the charity has been notified of the executor's intention to make a distribution. Where legacies have been notified to the charity, or the charity is aware of the granting of probate, and the criteria for income recognition have not been met, then the legacy is treated as a contingent asset and disclosed if material.

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

**f) Donations of gifts, services and facilities**

Donated professional services and donated facilities are recognised as income when the charity has control over the item or received the service, any conditions associated with the donation 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), volunteer time is not recognised so refer to the trustees' annual report for more information about their contribution.

On receipt, donated gifts, 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.

**g) 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.

**h) Fund accounting**

Restricted funds are to be used for specific purposes as laid down by the donor. Expenditure which meets these criteria is charged to the fund.

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

Designated funds are unrestricted funds earmarked by the trustees for particular purposes.

**i) 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 charitable company 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 carrying out research, collating and communicating the findings, being work undertaken to further the purposes of the charity 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.

**1 Accounting policies (continued)**

**j) 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, based on staff time, of the amount attributable to each activity.

Where information about the aims, objectives and projects of the charity is provided to potential beneficiaries, the costs associated with this publicity are allocated to charitable expenditure.

Where such information about the aims, objectives and projects of the charity is also provided to potential donors, activity costs are apportioned between fundraising and charitable activities on the basis of area of literature occupied by each activity.

● Employment Support	28%
● Prisons and Criminal Justice	16%
● Children and Young People	18%
● Supporting Recovery in Organisations	4%
● Influencing policy and practice	20%
● Other	5%
● Costs of generating income	9%

**k) Operating leases**

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

**l) Tangible fixed assets**

Items of equipment are capitalised where the aggregate purchase price of acquisition and installation exceeds £5,000. 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.

Where fixed assets have been revalued, any excess between the revalued amount and the historic cost of the asset will be shown as a revaluation reserve in the balance sheet.

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:

● Leasehold improvements	Straight line until lease expiry January 2017
● Fixtures and fittings	10 years
● Computer equipment	3 years

**m) Investments in subsidiaries**

Investments in subsidiaries are at cost.

**1 Accounting policies (continued)**

**n) 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.

**o) 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. Cash balances exclude any funds held on behalf of service users.

**p) 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.

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.

**q) Pensions**

The charity participates in two defined benefit pension schemes, both of which were contracted out of the State Second Pension (S2P) until 31 March 2016. Assets for both schemes are held in separate, trustee-administered funds. Because of the mutual nature of the schemes, the charity is unable to identify and measure its own share of assets and liabilities, and so expenditure related to the pensions is treated as if these were defined contributory schemes. Only five employees were active members of the schemes during the year, and all other employees were eligible to join the company's stakeholder pension scheme. The charity's staging date for pensions auto-enrolment was 1 April 2016, and any relevant staff not previously participating in a pension scheme were auto-enrolled at that date.

**2 Income from donations and legacies**

	Unrestricted £	Restricted £	2016 total Total £	2015 Total £
Gatsby Charitable Foundation	300,000	–	300,000	300,000
Wates Foundation	–	–	–	10,000
Donations	4,887	–	4,887	92,199
	<u>304,887</u>	<u>–</u>	<u>304,887</u>	<u>402,199</u>

Centre for Mental Health

Notes to the financial statements

For the year ended 5 April 2016

3 Income from charitable activities

	Unrestricted £	Restricted £	2016 Total £	2015 Total £
Department of Health	-	570,709	570,709	808,176
Trust for London	-	10,760	10,760	-
IPS training income	54,380	-	54,380	-
Lloyds Bank Foundation	-	-	-	38,000
Other income – Employment Support Programme	11,909	-	11,909	3,578
<b>Sub-total for Employment Support Programme</b>	<b>66,289</b>	<b>581,469</b>	<b>647,758</b>	<b>849,754</b>
MAC-UK (Gangs)	140,000	-	140,000	135,052
NHS England	56,815	-	56,815	-
Monument Trust	-	-	-	30,000
<b>Sub-total for Prisons and Criminal Justice</b>	<b>196,815</b>	<b>-</b>	<b>196,815</b>	<b>165,052</b>
Esmee Fairbairn Foundation	-	15,000	15,000	-
Garfield Weston Foundation	-	-	-	20,000
Mind	4,988	-	4,988	-
Comic Relief	-	12,234	12,234	-
Royal Foundation	43,038	-	43,038	-
Dudley Metropolitan Borough Council	15,933	-	15,933	-
Hertfordshire County Council	39,000	-	39,000	25,000
Other income – Children and Young People	-	-	-	104,037
<b>Sub-total for Children and Young People</b>	<b>102,959</b>	<b>27,234</b>	<b>130,193</b>	<b>149,037</b>
NHS Confederation	107,446	-	107,446	69,508
<b>Sub-total for Recovery</b>	<b>107,446</b>	<b>-</b>	<b>107,446</b>	<b>69,508</b>
Various	27,184	-	27,184	13,570
<b>Sub-total for Influencing policy and practice</b>	<b>27,184</b>	<b>-</b>	<b>27,184</b>	<b>13,570</b>
Royal College of Psychiatrists	8,500	-	8,500	-
NHS England	44,231	-	44,231	-
Public Health England	55,638	-	55,638	-
Capita	64,180	-	64,180	-
Forces in Mind Trust	34,206	-	34,206	41,136
NIHR	1,061	10,157	11,218	11,218
Barrow Cadbury	5,900	-	5,900	-
Centre for Longitudinal Studies	16,194	-	16,194	15,000
Other income	47,050	-	47,050	52,592
<b>Sub-total for Other</b>	<b>276,960</b>	<b>10,157</b>	<b>287,117</b>	<b>119,946</b>
<b>Total income from charitable activities</b>	<b>777,653</b>	<b>618,860</b>	<b>1,396,513</b>	<b>1,366,867</b>

Centre for Mental Health

Notes to the financial statements

For the year ended 5 April 2016

4 Analysis of expenditure

	Cost of raising funds £	Charitable activities					Other Programmes £	Support and governance costs £	2016 Total £	2015 Total £
		Employment Support Programme £	Prisons and Criminal Justice £	Children and Young People £	Supporting Recovery £	Influencing Policy and Practice £				
Staff costs (Note 6)	114,165	400,523	116,499	143,279	53,573	149,696	43,554	153,837	1,175,126	1,028,176
Direct project costs	-	388,647	4,634	15,803	79,242	12,022	29,232	-	529,580	756,127
Travel and subsistence	51	26,443	3,317	3,335	155	1,412	3,047	5,944	43,704	21,044
Printing, postage and stationery	100	199	742	489	154	1,064	2,359	5,434	10,541	15,133
IT costs	21,575	-	-	-	-	75	786	26,673	49,109	34,325
Communication and events	-	5,260	-	-	-	-	431	16,324	22,015	17,159
Establishment costs	-	11,516	-	-	39	-	-	142,209	153,764	158,179
Legal, finance and other	6,251	-	-	-	-	-	-	22,517	28,768	8,689
Audit	-	-	-	-	-	-	-	10,000	10,000	11,500
Depreciation	-	-	-	-	-	-	-	30,778	30,778	31,183
	142,142	832,588	125,192	162,906	133,163	164,269	79,409	413,716	2,053,385	2,081,515
Support and governance costs	36,779	117,496	64,375	73,723	14,728	84,564	22,051	(413,716)	-	-
<b>Total expenditure 2016</b>	<b>178,921</b>	<b>950,084</b>	<b>189,567</b>	<b>236,629</b>	<b>147,891</b>	<b>248,833</b>	<b>101,460</b>	<b>-</b>	<b>2,053,385</b>	<b>2,081,515</b>
Total expenditure 2015	157,868	1,022,722	175,486	231,665	115,855	269,212	108,707	-	-	-

Of the total expenditure, £1,269,281 was unrestricted (2015: £1,102,803) and £784,104 was restricted (2015: £978,712).



Centre for Mental Health

Notes to the financial statements

For the year ended 5 April 2016

5 Net outgoing resources for the year

This is stated after charging:

	2016 £	2015 £
Depreciation	30,778	30,962
Operating lease rentals:		
Property	62,205	62,205
Other	9,611	9,992
Auditors' remuneration (excluding VAT):		
Audit	10,000	11,000
Other services	NIL	NIL

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

Staff costs were as follows:

	2016 £	2015 £
Salaries and wages	932,159	807,748
Social security costs	87,596	80,327
Employer's contribution to defined contribution pension schemes	55,243	22,852
Operating costs of defined benefit pension schemes	43,140	57,113
IT staff (employed by Sainsbury Family Charitable Trusts)	56,988	60,136
	<b>1,175,126</b>	<b>1,028,176</b>

The following number of employees received employee benefits (excluding employer pension costs) during the year between:

	2016 No.	2015 No.
£60,000 – £69,999	1	2
£70,000 – £79,999	2	2
£80,000 – £89,999	1	1

The total employee benefits including pension contributions of the key management personnel were £339,462 (2015: £338,946).

The charity trustees were not paid or received any other benefits from employment with the charity in the year (2015: £nil). No charity trustee received payment for professional or other services supplied to the charity (2015: £nil). No trustees' expenses were reimbursed during the financial year (£2015: £nil)

## Centre for Mental Health

### Notes to the financial statements

#### For the year ended 5 April 2016

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#### 7 Staff numbers

The average number of employees (head count based on number of staff employed) during the year was as follows: 23.3

	2016 No.	2015 No.
Raising funds	1.7	1.0
Employment Support Programme	6.8	4.7
Prisons and Criminal Justice Programme	1.0	1.0
Children and Young People	1.0	1.0
Supporting Recovery	1.0	1.0
Influencing Policy and Practice	3.0	3.0
Other programmes	3.5	3.8
Support	4.3	3.9
Governance	1.0	1.0
	<hr/> 23.3	<hr/> 20.4

#### 8 Related party transactions

Aggregate donations from related parties were £460 (2015: £1,473).

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

#### 9 Taxation

The charity is exempt from corporation tax as all its income is charitable and is applied for charitable purposes. The charity's trading subsidiary Centre for Mental Health Training Limited gift aids available profits to the parent charity. Its charge to corporation tax in the year was:

	2016 £	2015 £
UK corporation tax at 20% (2015: 20%)	<hr/> NIL	<hr/> NIL

Centre for Mental Health

Notes to the financial statements

For the year ended 5 April 2016

10 Tangible fixed assets

The group and charity

	Leasehold improvements £	Fixtures and fittings £	Computer equipment £	Total £
<b>Cost</b>				
At the start of the year	181,214	37,635	5,655	224,504
At the end of the year	181,214	37,635	5,655	224,504
<b>Depreciation</b>				
At the start of the year	137,140	24,648	3,825	165,613
Charge for the year	25,184	3,764	1,830	30,778
At the end of the year	162,324	28,412	5,655	196,391
<b>Net book value</b>				
At the end of the year	18,890	9,223	–	28,113
At the start of the year	44,074	12,987	1,830	58,891

All of the above assets are used for charitable purposes.

11 Investments

Investments comprise:

	The group 2016 £	2015 £	The charity 2016 £	2015 £
Unlisted shares in UK registered companies	–	–	1,000	1,000
	–	–	1,000	1,000

The investments comprise the whole of the issued ordinary share capital of Centre for Mental Health Training Ltd and are shown at par.

## Centre for Mental Health

### Notes to the financial statements

For the year ended 5 April 2016

#### 12 Subsidiary undertaking

The charitable company owns the whole of the issued ordinary share capital of Centre for Mental Health Training Limited, a company registered in England. The subsidiary is used solely for primary purpose trading activities. All activities have been consolidated on a line by line basis in the statement of financial activities. Available profits are gift aided to the charitable company. A summary of the results of the subsidiary is shown below:

	2016 £	2015 £
Turnover	214,969	206,699
Cost of sales	(149,715)	(99,171)
Gross profit	65,254	107,528
Administrative expenses	(1,130)	(12,031)
Other operating income	-	-
Operating profit / (loss)	64,124	95,497
Interest receivable	51	17
Profit / (loss) on ordinary activities	64,175	95,514
Deed of covenant to parent undertaking	(64,175)	(1,175)
Profit / (loss) for the financial year	-	94,339
The aggregate of the assets, liabilities and funds was:		
Assets	206,727	170,718
Liabilities	(205,727)	(168,112)
Funds	1,000	2,606

#### 13 Parent charity

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

	2016 £	2015 £
Gross income	1,488,870	1,564,544
Result for the year	(415,589)	(404,595)

Centre for Mental Health

Notes to the financial statements

For the year ended 5 April 2016

14 Debtors

	The group		The charity	
	2016	2015	2016	2015
	£	£	£	£
Fees and charges	254,617	402,081	212,683	261,771
Other debtors	15,429	10,501	15,429	10,501
Prepayments	52,830	64,479	51,710	63,750
Inter-company debtor	-	-	186,419	90,176
Gatsby grant debtor	-	546,585	-	546,585
	<u>322,876</u>	<u>1,023,646</u>	<u>466,241</u>	<u>972,783</u>

15 Creditors: amounts falling due within one year

	The group		The charity	
	2016	2015	2016	2015
	£	£	£	£
Trade creditors	101,767	28,923	101,063	24,969
Taxation and social security	35,354	32,443	35,354	32,443
VAT creditor	50,006	32,989	44,956	13,444
Other creditors	-	22,000	-	22,000
Accruals	107,224	59,102	105,343	48,350
Deferred income	11,675	45,290	-	-
	<u>306,026</u>	<u>220,747</u>	<u>286,716</u>	<u>141,206</u>

16 Deferred income

Deferred income comprises income invoiced for training and consultancy services in advance.

	The group		The charity	
	2016	2015	2016	2015
	£	£	£	£
Balance at the beginning of the year	45,290	7,510	NIL	NIL
Amount released to income in the year	(57,315)	(24,461)	NIL	NIL
Amount deferred in the year	23,700	62,241	NIL	NIL
	<u>11,675</u>	<u>45,290</u>	<u>NIL</u>	<u>NIL</u>

17 Creditors: amounts falling due after one year

	The group		The charity	
	2016	2015	2016	2015
	£	£	£	£
Accruals – pension obligations	18,045	24,058	18,045	24,058
	<u>18,045</u>	<u>24,058</u>	<u>18,045</u>	<u>24,058</u>

## Centre for Mental Health

### Notes to the financial statements

#### For the year ended 5 April 2016

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#### 18 Pension scheme

Employees of Centre for Mental Health and its subsidiary who joined the organisation on 1 December 2009 or thereafter have access to a flexible contributory group personal pension scheme. Employer contributions to the scheme during the year amounted to £42,212 (2014/15 £22,357).

IT staff are employed by the Sainsbury Family Charitable Trust, and the relevant proportion of their costs is recharged to Centre for Mental Health, including the employer's contribution to a defined contribution group scheme run on behalf of the employees of the Trust.

Both of these are defined contribution schemes and there are no undisclosed liabilities associated with these schemes.

In addition to these arrangements, some staff who were employed by Centre for Mental Health during the year accrued benefits under defined benefit pension schemes which they were entitled to join as their employment predates 1 December 2009.

##### Universities Superannuation Scheme (USS)

USS is a defined benefit scheme, which is contracted out of the State Second Pension (S2P). The assets are held in a separate fund administered by the USS pension trustee who is the Universities Superannuation Scheme Limited. Because of the mutual nature of the scheme, Centre for Mental Health is unable to identify its share of the underlying assets and liabilities of the scheme on a consistent and reasonable basis and therefore accounts for the scheme as if it were a defined contribution scheme. As a result, the amount charged to the Statement of Financial Activities (£47,232, 2014/15: £49,182) represents employers contributions payable to this scheme during the accounting period. The rate of employer's contributions remained constant throughout the year at 16% of pensionable salaries.

Entry to the USS pension scheme was closed to new staff of Centre for Mental Health on 30 November 2009. Entitlements for existing staff remain unaffected. During the year five members of staff made contributions to the USS scheme, and one member left Centre for Mental Health during the year, leaving four active members at the reporting date. The scheme overall had over xxx active members as at 31 March 2016.

An actuarial valuation of the scheme took place valuing the scheme's assets and liabilities as at 31 March 2014. The valuation was carried out using the projected unit method and found that the scheme's assets were sufficient to cover 89% of the scheme's technical provisions - a shortfall of £5.3bn. This compares unfavourably with the previous triennial valuation (92% funding, a deficit of £2.9bn). Before final publication of the valuation an interim valuation showed that the deficit had grown to £8.2bn (representing 86% of funding) as at 31 March 2015. The need to address this increasing deficit and guarantee a suitable level of funding for the scheme has led the pension trustees to negotiate a set of major changes to USS pension rights from 1 April 2016

The final salary element of the scheme has been closed, and pension rights will accrue on a Career Revalued basis from 1 April 2016. Member and Employer contribution rates have increased from 7.5% and 16% to 8% and 18% respectively. Furthermore, from 1 October 2016 entitlement to the Career Revalued Scheme will be capped at £55,000; for those earning above this annual salary amount, contributions will be made into a complementary defined contribution scheme.

In November 2015 Centre for Mental Health's trustees commissioned Cartwrights, a firm of actuarial advisers, to update advice with regard to latent Section 75 debt which would be triggered at a future date when there are no more active scheme members. Although the level of such a payment would be significant, the likelihood of this arising in the foreseeable future, and uncertainty regarding its measurement at a future unidentified point in time has led them to conclude that no additional disclosure or provision needs to be made in the financial statements at this time.

## 18 Pension scheme (continued)

### NHS Pension Scheme

In addition one employee remained a member of the NHS Pension Scheme throughout the financial year.

Details of the benefits payable under these provisions can be found on the NHS Pensions website at [www.pensions.nhsbsa.nhs.uk](http://www.pensions.nhsbsa.nhs.uk). The Scheme is an unfunded, defined benefit scheme that covers NHS employers, General Practitioners and other bodies, allowed under the direction of the Secretary of State, in England and Wales. As with the USS, the scheme is not designed to be run in a way that would enable the Centre to identify its share of the underlying Scheme assets and liabilities. Therefore, the Scheme is accounted for as if it were a defined contribution scheme and the amount of £8,011 (2014/15: £7,931) charged to the Statement of Financial Activities represents employers' contributions payable to the scheme in respect of the accounting period. The rate of employer's contributions remained constant at 14% of pensionable salaries, although rates for employees' contributions have increased substantially in order to meet future funding requirements.

Access to the NHS pension scheme is restricted to staff members who have retained the benefit as an element of authorised transfers in from other employments.

In line with legislative changes related to the introduction of the new State Pension, both of these pension schemes ceased to be contracted out of S2P from 1 April 2016.

### Auto Enrolment

On 1 April 2016, Centre for Mental Health met its staging date for auto-enrolment in the Workplace Pension. The existing stakeholder pension was identified as the default scheme for automatic payments. However, as of the staging date, all existing employees bar two had signed up to make pension contributions above the minimum contribution level. Of those two who had not signed up, one is above pensionable age and therefore not required to do so; and the other has completed all necessary documentation to opt out of the scheme.

## 19 Analysis of group net assets between funds

	General unrestricted £	Designated funds £	Restricted funds £	Total funds £
Tangible fixed assets	28,113	–	–	28,113
Net current assets	639,932	87,974	138,584	866,490
Long term liabilities	(18,045)	–	–	(18,045)
<b>Net assets at the end of the year</b>	<b>650,000</b>	<b>87,974</b>	<b>138,584</b>	<b>876,558</b>

Centre for Mental Health

Notes to the financial statements

For the year ended 5 April 2016

20 Movements in funds

	At the start of the year £	Incoming resources & gains £	Outgoing resources & losses £	Transfers £	At the end of the year £
<b>Restricted funds:</b>					
<b>Employment Support</b>					
Employment of Offenders	231,944	-	(158,254)	-	73,690
Poppy Factory review	10,284	-	(29,131)	18,847	-
IESD Regional Trainer	7,632	570,709	(533,959)	-	44,382
100 people with schizophrenia	-	10,760	(5,000)	-	5,760
<b>Prisons and Criminal Justice</b>					
Suicide in Custody	30,000	-	(15,248)	-	14,752
<b>Children and Young People</b>					
Parenting Outcomes	-	15,000	(15,000)	-	-
Up my street/ Better futures	-	12,234	(12,712)	478	-
<b>Other</b>					
Liaison Psychiatry – Maestro	-	10,157	(14,800)	4,643	-
<b>Total restricted funds</b>	<b>279,860</b>	<b>618,860</b>	<b>(784,104)</b>	<b>23,968</b>	<b>138,584</b>
<b>Unrestricted funds:</b>					
<b>Designated funds:</b>					
Core funding reserve	283,948	-	-	(210,138)	73,810
<b>Total designated funds</b>	<b>283,948</b>	<b>-</b>	<b>-</b>	<b>(210,138)</b>	<b>73,810</b>
<b>General funds</b>	<b>650,000</b>	<b>1,083,111</b>	<b>(1,269,281)</b>	<b>186,170</b>	<b>650,000</b>
<b>Total unrestricted funds</b>	<b>933,948</b>	<b>1,083,111</b>	<b>(1,269,281)</b>	<b>(23,968)</b>	<b>723,810</b>
<b>Total funds</b>	<b>1,213,808</b>	<b>1,701,971</b>	<b>(2,053,385)</b>	<b>-</b>	<b>862,394</b>



## 20 Purposes of restricted funds

### Employment funding

The Employment of Offenders fund is a three-year project to evaluate the effectiveness of the Individual Placement and Support model within a prison setting. It is funded by three major grantmaking trusts and will complete in August 2016.

The Poppy Factory fund was a project to evaluate employment interventions. The work completed in early 2016, with insufficient funding and so a transfer from our designated funding was made to cover the shortfall.

The Regional Trainer project is a three year pilot funded by Department of Health IESD grant money to set up regional trainers across 6 regional mental health trusts to enhance delivery of IPS and improve employment outcomes for their service users. Funding is confirmed annually and the project is due to complete in March 2017.

The 100 people with schizophrenia project is a collaboration with Rethink Mental Illness, funded by the Trust for London that seeks to find employment for 100 people living with severe and enduring mental health problems.

### Prisons and Criminal Justice funding

The suicide in custody project, funded by the Monument Trust is gathering evidence to reduce the risks of self harm and suicide for people in custody with mental health problems.

### Children and Young People funding

Parenting outcomes is a joint project with Place2Be, funded by Esme Fairbairn Foundation to evaluate parenting interventions and provide recommendations.

Up my street / better futures is an evaluation of a street therapy in Birmingham carried out by Mind. The evaluation is funded by Comic Relief.

### Other restricted funding

The Liaison Psychiatry (Maestro) project is funded by NIHR and led by Leeds University that will describe, classify and evaluate a number of models for the provision of Liaison Psychiatry services.

### Purposes of designated funds

The core funding reserve represents funds designated by the trustees to meet shortfalls arising while the organisation builds its capacity and experience in fundraising.

## 21 Operating lease commitments

The charity and group's total future minimum lease payments under non-cancellable operating leases is as follows for each of the following periods:

	Property		Equipment	
	2016	2015	2016	2015
	£	£	£	£
Less than one year	46,654	–	5,960	2,498
One to five years	–	62,205	–	–
	<b>46,654</b>	<b>62,205</b>	<b>5,960</b>	<b>2,498</b>

## 22 Legal status of the charity

The charity is a company limited by guarantee and has no share capital. The liability of each member in the event of winding up is limited to £1.