

Company number: 4373019
Charity number: 1091156

**Centre for
Mental Health**



Centre for Mental Health
Report and Financial Statements
5 April 2019



Centre for Mental Health

Reference and administrative details

For the year ended 5 April 2019

Company number 4373019

Charity number 1091156

Registered office and operational address Office 2D21, South Bank Technopark
London
SE1 6LB

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, Resigned 24 October 2018
Professor Susan Bailey	Chair, Elected 24 October 2018
Mr Richard Fass	Treasurer
Rt. Hon Lord Bradley of Withington	
Sir Andrew Dillon	
Lady Edwina Grosvenor	
Dr Ian McPherson	Resigned 27 March 2019
Michael Morley	
Andre Tomlin	Appointed 1 November 2018

Key management Personnel	Ms Sarah Hughes BA MA DipSW	Chief Executive
	Mr Andrew Bell BA MA	Deputy Chief Executive
	Ms Jan Hutchinson	Director of Programmes
	Ms Agnieszka Dajczer MAcc	Financial Controller

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 2019

The trustees present their report and the audited financial statements for the year ended 5 April 2019.

Reference and administrative information set out on page 1 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.

Remuneration Committee decides on staff reward including salaries.

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.

Objectives and activities

Centre for Mental Health is a charity with over 30 years' experience in providing life changing research, economic analysis and policy influence in mental health. Over the last decade, our work has expanded to include physical health, wellbeing, inequality and multiple disadvantage across the life course. We are international thought leaders contributing to innovation and groundbreaking health and social change. By disentangling complex experiences and finding big ideas that can be shared, we have developed a reputation as the people who make sense and can provide evidence that helps and makes a difference in real time and in real life.

Centre for Mental Health

Report of the trustees

For the year ended 5 April 2019

Purpose

To understand Mental Illness, to promote Mental Health and Wellbeing, and to challenge Inequality and Disadvantage throughout the life course.

- We drive through change and improvement to policy and practice.
- We amplify the real experiences of those most affected by health inequality and mental health stigma and discrimination.
- We shine a light on world class services and innovation through research, consultancy and evaluation.

Way

- We work alongside partners using a side by side consultancy and research model.
- We provide the highest quality health economics analysis.
- We produce and communicate our world class reports and findings across agencies and communities.
- We offer responsive, brave and relevant thought leadership for policy makers and collaborators.

Impact

We will cease to exist when Equality for Mental Health is no longer considered out of our reach and that people receive the best understanding and intervention wherever they live, whenever they need it and without shame.

Beliefs

- We work across political, health and social boundaries, organisations and constructs.
- We are values led and inspired by difference and diversity.
- We know that even in the most established status quo change is possible if we make the best case.

Achievements and performance in the delivery of public benefit

The charity's main activities and who it tries to help are described in detail 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.

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.

Fundraising

Centre for Mental Health welcomes voluntary donations but does not engage in direct public fundraising and does not use professional fundraisers or commercial participators. Centre for Mental Health nevertheless observes and complies with the relevant fundraising regulations and codes. During the year there was no non-compliance of these regulations and codes and Centre for Mental Health received no complaints relating to its fundraising practice.

Centre for Mental Health

Report of the trustees

For the year ended 5 April 2019

Most of our income derives from contracts and grants. We are nonetheless registered with the fundraising regulator and follow their guidance when evaluating potential approaches to grant giving bodies.

Achievement of our objectives for 2018/19

The Centre's work continues to be as important as ever. There is now greater awareness of mental health in society, in the media and in policy (national and local). The Centre has made a compelling case for significant investment in better mental health support for both adults and children. But we are continuing to tackle significant barriers to improving the support people get for their mental health and longstanding inequalities that blight people's life chances. Our vital work is helping to ensure that investment is spent wisely and people get the best possible support from a range of services, not just in the NHS but from local authorities, employment and housing services, schools and the criminal justice system.

Last year our work made a big impact on policy and practice nationwide, and as a result has changed people's lives and will have a sustained impact into the future:

To support more people with mental health difficulties into employment

We have supported the nationwide expansion of Individual Placement and Support (IPS) employment services in mental health services in the UK and internationally this year. Working alongside NHS England we have helped to train employment specialists and clinical teams in how to use IPS. This work is set to continue as the NHS Long Term Plan set out proposals to further expand IPS provision in England. We have also begun a landmark trial with RAND Europe to test IPS in substance misuse services. And we have joined the International IPS Learning Community to ensure that we share evidence globally to build up the provision of effective employment support.

We also reported on a major project to support former prisoners to get into work using the IPS approach. Our report, *From prison to work*, showed that prisoners with mental health difficulties could be supported into employment successfully but that many needed extra help with basic needs such as having somewhere to live and having support for their mental health.

To tackle inequalities in mental health

We have begun a major new Commission for Equality in Mental Health to investigate the causes and potential solutions to the inequalities in mental health that exist in our society. The Commission is chaired by Liz Sayce and includes members with a range of professional and personal knowledge of mental health inequalities. We have published a Call for Evidence to explore what causes mental health inequalities and what solutions might be needed. We aim ultimately to produce a 'system design for equality' early in 2020 to help national and local policymakers to bring about large-scale change.

We carried out an evaluation of a project in the North East of England to use therapy dogs to improve the wellbeing of prisoners. Our report, *Restoring something lost*, showed the many benefits to prisoners' health and wellbeing of contact with therapy dogs and recommended wider use of this approach.

We also evaluated a ground-breaking voluntary sector service for young people who self-harm, The WISH Centre. Our report, *A space to talk*, found that the WISH Centre made a significant improvement to the mental health of the people who used it, many of whom did not get help from other services.

Centre for Mental Health

Report of the trustees

For the year ended 5 April 2019

To improve the physical health of people living with a mental illness

We have set up a major new collaborative to bring about improved physical health support for people with a mental illness. Equally Well UK, which we are running together with Rethink Mental Illness, Kaleidoscope Health and Care, and the Royal Colleges of GPs and Psychiatrists, seeks to bring organisations together to tackle the 15-20 year mortality gap for people living with mental health problems. Already more than 50 organisations have joined the collaborative since its launch in September 2019 and signed the Charter for Equal Health. Equally Well UK has also secured significant changes nationally, for example to ensure that the National Diabetes Audit includes data on mental illness and to help bring about a commitment from NHS England to offer smoking cessation treatment to people using mental health services.

To find new ways of saving people's lives by preventing suicide

We partnered with Investigo as their charity of the year in 2018 to find ways of supporting people who are at risk of losing their lives through suicide before they get to crisis point. Two-thirds of people who die by suicide are not in contact with any mental health service at the time of their death, but many visit their GPs in the preceding months or weeks. Working with Samaritans, we investigated what support is available in GP surgeries to save lives and produced a report setting out a range of recommendations for the NHS to support people with suicidal feelings. We also produced a briefing for local authorities to help elected council members to know more about how they can bring about action in their local areas to prevent suicide deaths.

To make the case for change in policies and practices affecting people's mental health

We worked alongside partner charities to make the case for further improvement and investment in mental health services in the NHS Long-Term Plan, which was published in January 2019. As a result, NHS England pledged an extra £2.3 billion funding for mental health services over five years, with a focus on making better community services available.

The role of social media in young people's mental health has been hotly debated this year. We reviewed the evidence about the impact of social media interaction on young people's mental health and published a briefing on the current evidence base. We also advised Facebook on its policies relating to the sharing of potentially harmful images in relation to self-harm and suicide and helped to bring about improvements to protect young people.

The mental health and safety of young people at university has also become a major concern this year. We worked with the Charlie Waller Memorial Trust to investigate young people's experiences of the transition from school to college and university. Our report, *Finding our own way*, sets out how schools, colleges and universities can help young people to make safe and healthy transitions.

Economic evidence is widely used to inform policy and commissioning in the NHS. This year we produced a briefing paper explaining economic theories as they relate to public policy and how they can be used to inform decision-making.

Financial Review

Unrestricted income for the year amounted to £963,961 (2017/18 – £781,774) whilst unrestricted expenditure amounted to £813,532 (2017/18 - £837,778). This gave rise to a surplus of unrestricted funds for the year of £150,429 (2017/18 deficit £56,003), as shown on the Statement of Financial Activities.

Centre for Mental Health

Report of the trustees

For the year ended 5 April 2019

Activity within restricted funds has also given rise to a surplus in the year of £121,774. This does not represent a call on reserves, as the surplus of restricted funds is 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 19a to the accounts.

Total consolidated funds carried forward at 5 April 2019 are £974,944 (2017/18: £702,741).

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 set as:

- Winddown reserve— set as 3 months of anticipated core expenditure.
- Cash flow reserve – set as 3 months' cycle calculated on 15 months cashflow forecast.

As at 5 April 2019, that will require minimum free reserves of £600,000 to be held (2018: £533,000).

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. The designated fund at the start year was £90,839 and was increased by £83,429, leaving £174,268 under the designation at the start of 2019/20.

Group free reserves held at 5 April 2019 amounted to £600,000, being group net assets of £974,944, less restricted funds of £200,676 and designated funds of £174,268.

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 2018/19 sales income was derived from several sources including IPS training courses and consultancy services. The subsidiary made an

Centre for Mental Health

Report of the trustees

For the year ended 5 April 2019

operating profit of £89,135 (2017/18: £63,843), which has been donated via Gift Aid to the charitable parent. Further details are given in Note 11 to the financial statements.

Risk Management

The Trustees are responsible for the management of the risks faced by the charity. Detailed considerations of risk are 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 risks faced by the charity include:

- Financial Stability, the context for the Centre are ever changing and therefore is an ongoing primary focus of risk management.
- Pension Liability, many charities face significant pension liabilities. The trustees take robust measures to monitor and mitigate impact on the Centre.
- Lack of diversity, the Centre has identified Diversity as a key element to a successful organisation therefore is also a significant priority for risk management strategies.
- Reputational damage, all charities must maintain the highest standards of practice, however the Centre understand the implications when things go wrong.

The key controls used by the charity include:

- Formal reporting of risk management processes to Trustees' meetings;
- Weekly cash flow review;
- Regular executive meetings where the risk register is discussed;
- 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.

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.

Objectives and activities planned for 2019/20

Centre for Mental Health has a unique role in bringing about long-term change that makes a difference in people's lives. We know that too many people still experience mental health problems that could have been prevented. We know that if you experience a mental health emergency you often have to wait longer for help and have a poorer experience of crisis care. And we know that people with mental health conditions die 15-20 years too soon. We're taking action now to change that for the future.

Our objectives and activities in the next year will include:

To support more people with mental health difficulties into employment

We will continue to support the nationwide expansion of Individual Placement and Support (IPS) employment services in mental health services this year. Working alongside NHS England we will help to train employment

Centre for Mental Health

Report of the trustees

For the year ended 5 April 2019

specialists and develop new services to help people to get work when they are ready. We will continue our work with RAND Europe to test IPS in substance misuse services.

We are carrying out a major study of Mental Health First Aid (MHFA), working alongside Mental Health First Aid England and London South Bank University. Our research will be the first to seek evidence of the impact of MHFA in workplaces on people who are helped by someone who has taken the training.

To tackle inequalities in mental health

We will conclude the vital work of the Commission for Equality in Mental Health in developing a 'system design for equality'. Drawing on evidence from across the UK and internationally, we will make recommendations for national policy and local practice to reduce mental health inequality. We will publish a series of briefing papers on key issues followed by a final report early in 2020.

We are working with partners including First Class Legacy and the Birmingham Repertory Theatre to improve the wellbeing and resilience of young men from African and Caribbean communities. With funding from the National Lottery, we are evaluating the ground-breaking Shifting the Dial project which is seeking to improve young men's experiences of schools, colleges, the police and health services.

To improve the physical health of people living with a mental illness

We will continue to build Equally Well UK, our collaborative to ensure people with mental health difficulties get the right help for their physical health. More than 50 organisations have already got involved in Equally Well UK. We will work with member organisations to help them to develop and implement action plans to improve the support people with mental health problems get for their physical health. We will run a series of events this year for member organisations, we will share the results of the latest research and we will publish blogs and other resources highlighting key issues, opportunities and examples of good practice.

To ensure more people get effective and timely support for their mental health

We will research new approaches to improving mental health support in primary care. The majority of people with a mental health problem do not get access to specialist services. Most rely on what their GP can offer, yet general practice is under stress. We will explore how people can get help for example through locating psychologists in GP surgeries or setting up primary mental health care teams.

We will explore what a good system of support in a mental health crisis looks like. Too many people who have experienced a mental health crisis say that they get poor quality help and do not feel that they were treated with dignity or respect. We will look at a range of different approaches to helping someone in a crisis to help the NHS to offer the most effective responses to mental health emergencies.

To improve children and young people's mental health

We host the Children and Young People's Mental Health Coalition, a group of 200 organisations and individuals that all work to improve the mental health of infants, children and young adults. The Coalition will this year publish a report on the mental health of children and young people with learning disabilities and a review of the state of children and young people's mental health in England. The Coalition's aim is to ensure that more children get effective help for their mental health, including preventing mental health difficulties.

We are carrying out research into new models of crisis care for children and young people that seek to prevent children being admitted to hospital by providing intensive support in the community. Working with

Centre for Mental Health

Report of the trustees

For the year ended 5 April 2019

NHS England and the NHS Confederation Mental Health Network, this study will analyse the economic value of innovative services that help children to stay at home when they are unwell.

To make the case for change in policies and practices affecting people's mental health

We will continue to make the case for change in policies and practices that have an impact on our mental health and the lives of people who are too often most marginalised in our society.

At the local level, we will support our network of more than 100 local authorities with elected member champions for mental health through bespoke advice, information, training and events.

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.

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.

Centre for Mental Health

Report of the trustees

For the year ended 5 April 2019

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 2018 was 8 (2017 - 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 24 July 2019 and signed on their behalf by



Professor Sue Bailey
Chairman

Independent auditor's report

To the members of

Centre for Mental Health

Opinion

We have audited the financial statements of Centre for Mental Health (the 'charitable company') for the year ended 5 April 2019 which comprise the statement of financial activities, balance sheet, statement of cash flows and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland* (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

- Give a true and fair view of the state of the charitable company's affairs as at 5 April 2019 and of its 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.
- Have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

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

Conclusions relating to going concern

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

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

Other information

The other information comprises the information included in the trustees' annual report, other than the financial statements and our auditor's report thereon. The trustees are responsible for the other information. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon. In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially

Independent auditor's report

To the members of

Centre for Mental Health

misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006

In our opinion, based on the work undertaken in the course of the audit:

- The information given in the trustees' annual report, for the financial year for which the financial statements are prepared is consistent with the financial statements.
- The trustees' annual report, has been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the charitable company and its environment obtained in the course of the audit, we have not identified material misstatements in the trustees' annual report.

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

- Adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- The financial statements are not in agreement with the accounting records and returns; or
- 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' exemptions in preparing the trustees' annual report and from the requirement to prepare a strategic report.

Responsibilities of trustees

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

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

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists.

Independent auditor's report

To the members of

Centre for Mental Health

Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with ISAs (UK), we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the trustees.
- Conclude on the appropriateness of the trustees' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the entity's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the entity to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

Independent auditor's report

To the members of

Centre for Mental Health

Use of our report

This report is made solely to the charitable company's members as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the charitable company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charitable company and the charitable company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Judith Miller (Senior statutory auditor)

Date: 16 August 2019

for and on behalf of Sayer Vincent LLP, Statutory Auditor
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 2019

	Note	Unrestricted £	Restricted £	2019 Total £	Unrestricted £	Restricted £	2018 Total £
Income from:							
Donations and legacies	2	78,413	-	78,413	16,947	-	16,947
Charitable activities		-	-	-	-	-	-
Employment Support Programme	3	195,354	562,796	758,150	228,021	264,520	492,541
Adults Research incl. Prisons and	3	92,738	27,875	120,613	58,988	-	58,988
Children and Young People	3	175,788	150,956	326,744	112,303	12,596	124,899
Economics	3	80,049	9,842	89,891	-	-	-
Influencing Policy and Practice	3	178,783	91,644	270,427	146,535	54,865	201,400
Other Programmes	3	161,656	1,017	162,673	218,802	-	218,802
Investments – Interest receivable		1,180	-	1,180	178	-	178
Total income		963,961	844,130	1,808,091	781,774	331,981	1,113,755
Expenditure on:							
Raising funds	4	106,642	-	106,642	105,107	-	105,107
Charitable activities							
Employment Support Programme	4	112,436	521,115	633,551	215,577	302,900	518,477
Adults Research incl. Prisons and	4	169,331	-	169,331	150,634	-	150,634
Children and Young People	4	156,145	111,360	267,505	192,211	15,452	207,663
Economics	4	69,479	9,842	79,321	-	-	-
Influencing Policy and Practice	4	105,806	55,326	161,132	50,102	47,719	97,821
Other programmes	4	93,693	24,713	118,406	124,147	-	124,147
Total expenditure		813,532	722,356	1,535,888	837,778	366,071	1,203,849
Net income / (expenditure) before transfers between funds	5	150,429	121,774	272,203	(56,003)	(34,090)	(90,093)
Transfers between funds			-	-	-	-	-
Net movement in funds		150,429	121,774	272,203	(56,003)	(34,090)	(90,093)
Reconciliation of funds:							
Total funds brought forward		623,839	78,902	702,741	679,842	112,992	792,834
Total funds carried forward		774,268	200,676	974,944	623,839	78,902	702,741

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 19 to the financial statements.

Further information on the restatement to the figures for the comparative figures is given in note 1 r) to the accounts.

As at 5 April 2019

		The group		The charity	
		2019	2018	2019	2018
	Note	£	£	£	Restated £
Fixed assets:					
Tangible assets		-	-	-	-
Investments	10	-	-	1,000	1,000
		-	-	1,000	1,000
Current assets:					
Debtors	13	310,369	248,957	237,390	403,744
Cash at bank and in hand		1,005,267	666,773	848,167	394,046
		1,315,636	915,730	1,085,557	797,790
Liabilities:					
Creditors: amounts falling due within one year	14	294,122	160,401	154,180	107,304
Net current assets		1,021,514	755,329	931,377	690,486
Total assets less current liabilities		1,021,514	755,329	932,377	691,486
Creditors: amounts falling due after one year	16	46,570	52,588	46,570	52,588
Total net assets	18	974,944	702,741	885,807	638,898
Funds:	19				
Restricted income funds		200,676	78,902	200,676	78,902
Unrestricted income funds:					
Designated funds		174,268	90,839	174,268	90,839
General funds		600,000	600,000	510,863	469,157
Total unrestricted funds		774,268	690,839	685,131	559,996
Total funds		974,944	769,741	885,807	638,898

Approved by the trustees on 24 July 2019 and signed on their behalf by


Professor Dame Susan Bailey
Chairman

Centre for Mental Health

Consolidated statement of cash flows

For the year ended 5 April 2019

	2019 £	2018 £
Cash flows from operating activities		
Net cash provided by / (used in) operating activities	337,314	(45,252)
Cash flows from investing activities:		
Dividends, interest and rents from investments	1,180	178
Change in cash and cash equivalents in the year	338,494	(45,074)
Cash and cash equivalents at the beginning of the year	666,773	711,847
Cash and cash equivalents at the end of the year	1,005,267	666,773

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

	2019 £	2018 £
Net expenditure for the reporting period (as per the statement of financial activities)	272,203	(90,093)
Depreciation charges	-	-
Dividends, interest and rent from investments	(1,180)	(178)
(Increase)/decrease in debtors	(61,412)	136,800
Decrease in creditors	127,703	(91,781)
Net cash provided (used in) operating activities	337,314	(45,252)

1 Accounting policies

a) Statutory information

Centre for Mental Health is a charitable company limited by guarantee and is incorporated in England & Wales. The registered office address is Technopark, Unit 2d21, 90 London Road, London, England, SE1 6LN

b) Basis of preparation

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

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.

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.

1 Accounting policies (continued)

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.

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	37%
● Adults Research incl. Prisons and Criminal Justice	13%
● Children and Young People	18%
● Economics	6%
● Influencing policy and practice	8%
● Other	9%
● Costs of generating income	9%

1 Accounting policies (continued)

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
● Fixtures and fittings	10 years
● Computer equipment	3 years

m) Investments in subsidiary

Investments in the subsidiary are at cost.

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.

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 contributions schemes. The charity has recognised its committed liability for past service deficits for this scheme and these are noted as a liability. Only four 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.

r) Prior period restatement

A restatement of the retained profits for the year ended 5 April 2018 was necessary to recognise the gift aid payment from the trading subsidiary on a paid basis rather than on an accruals basis, as no obligation existed at the balance sheet date. The effect of this was to decrease the opening reserves figure by £63,843, thereby increasing the amounts owed by the trading subsidiary by £63,843.

2 Income from donations and legacies

	Unrestricted £	Restricted £	2019 Total £	Unrestricted £	Restricted £	2018 Total £
Donations	78,413	-	78,413	16,947	-	16,947
	<u>78,413</u>	<u>-</u>	<u>78,413</u>	<u>16,947</u>	<u>-</u>	<u>16,947</u>

3 Income from charitable activities

	Unrestricted £	Restricted £	2019 Total £	Unrestricted £	Restricted £	2018 Total £
Department of Health	-	-	-	-	20,804	20,804
City Bridge Trust	-	562,796	562,796	-	243,716	243,716
IPS training income	122,872	-	122,872	113,736	-	113,736
Other income – Employment Support Programme	72,482	-	72,482	114,285	-	114,285
Sub-total for Employment Support Programme	195,354	562,796	758,150	228,021	264,520	492,541
MAC-UK (Gangs)	-	-	-	31,380	-	31,380
BPS	-	27,875	27,875	-	-	-
NHS England	14,694	-	14,694	8,400	-	8,400
Ministry of Justice	9,244	-	9,244	13,172	-	13,172
BEH MH NHS	31,667	-	31,667	-	-	-
MHFA	12,600	-	12,600	-	-	-
IMH Uni of Nottingham	14,522	-	14,522	-	-	-
Other income – Prisons and Criminal Justice	10,011	-	10,011	6,036	-	6,036
Sub-total for Adults Research incl. Prisons and Criminal Justice	92,738	27,875	120,613	58,988	-	58,988

Centre for Mental Health

Notes to the financial statements

For the year ended 5 April 2019

Esmee Fairbairn Foundation	-	15,000	15,000	-	10,000	10,000
CYPMHC- various founders	-	110,441	110,441	-	-	-
Big Lottery Found	-	25,516	25,516	-	-	-
PHE	-	-	-	10,000	-	10,000
British Association for Counseling	6,000	-	6,000	-	-	-
British Psychoanalytic Council	3,000	-	3,000	-	-	-
Bristol City Council	19,156	-	19,156	-	-	-
Charlie Waller MT	5,794	-	5,794	-	-	-
Comic Relief	12,500	-	12,500	-	2,596	2,596
Hertfordshire County Council	5,650	-	5,650	-	-	-
Royal College of Psychiatrists	6,500	-	6,500	-	-	-
The Royal Foundation	32,100	-	32,100	86,960	-	86,960
NHSE	38,236	-	38,236	-	-	-
Dudley Metropolitan Borough Council	16,450	-	16,450	3,750	-	3,750
UK Council for Psychotherapy	4,750	-	4,750	-	-	-
The National Childbirth Trust	-	-	-	4,103	-	4,103
The WISH Centre	16,617	-	16,617	-	-	-
Other income – Children and Young People	9,035	-	9,035	7,490	-	7,490
Sub-total for Children and Young People	175,788	150,956	326,745	112,303	12,596	124,899

3 Income from charitable activities (continued)

	Unrestricted	Restricted	2019 Total	Unrestricted	Restricted	2018 Total
Elliot Simmons CT	-	50,000	50,000	-	50,000	50,000
ACEVO	24,600	-	24,600	-	-	-
AMHP	23,900	-	23,900	-	-	-
Dudley MBC	16,450	-	16,450	-	-	-
HAFAL	6,000	-	6,000	-	-	-
NHS England	-	-	-	13,600	-	13,600
NHS Confederation	7,733	-	7,733	30,281	-	30,281
Place2Be	-	-	-	5,400	-	5,400
PHE	20,500	-	20,500	-	-	-
Department of Health	42,448	-	42,448	57,000	-	57,000
Royal College of Nursing	6,150	-	6,150	-	-	-
UCL	5,000	-	5,000	-	-	-
Health Education England	-	-	-	16,500	-	16,500
Various	26,002	41,644	67,646	23,754	-	23,754
NIHR	-	-	-	-	4,865	4,865
Sub-total for Influencing policy and practice	178,783	91,644	270,427	146,535	54,865	201,400
NHS Confederation	62,000	-	62,000	-	-	-
ZenZone	11,100	-	11,100	-	-	-
PETALS	-	9,842	9,842	-	-	-
Various	6,949	-	6,949	-	-	-
Sub-total for Economics	80,049	9,842	89,891	-	-	-
The Royal Foundation	-	-	-	15,000	-	15,000
NHS Confederation	-	-	-	11,400	-	11,400
The Tavistock & Portman NHS	8,348	-	8,348	-	-	-
Forces in Mind Trust	77,233	-	77,233	80,116	-	80,116
Ipsos MORI	-	-	-	5,800	-	5,800
Health Education England	13,435	-	13,435	-	-	-
Islington CCG	43,110	-	43,110	-	-	-
University of Birmingham	-	-	-	20,783	-	20,783
NIHR	-	1,017	1,017	-	-	-
Rethink Mental Illness	7,667	-	7,667	9,200	-	9,200
Institute of Alcohol Studies	-	-	-	3,500	-	3,500
The Economic and Social Research Council	5,085	-	5,085	12,870	-	12,870
Other income	6,778	-	6,778	60,133	-	60,133
Sub-total for Other	161,656	1,017	162,673	218,802	-	218,802
Total income from charitable	884,368	844,130	1,728,499	764,649	331,981	1,096,630

Centre for Mental Health

Notes to the financial statements

For the year ended 5 April 2019

4a

	Charitable activities							Support and governance costs	2019 Total	2018 Total
	Cost of raising funds	Employment Support Programme	Adults Research incl. PCJ	Children and Young People	Economics	Influencing Policy and Practice	Other Programmes			
	£	£	£	£		£	£	£	£	£
Staff costs (Note 6)	75,456	332,554	121,372	161,329	56,444	74,246	81,552	160,047	1,063,000	919,065
Direct project costs	6,328	175,735	2,093	42,614	3,815	50,951	5,095	19,571	306,202	126,692
Travel and subsistence	51	5,116	4,776	5,075	533	1,788	3,073	7,611	28,023	27,553
Printing, postage and stationery	37	319	-	124	-	14	-	2,233	2,727	3,356
IT costs	-	5,438	-	1,566	-	1,425	24	23,671	32,124	29,412
Communication and events	-	1,570	-	754	-	6,392	1,561	5,124	15,401	14,560
Establishment costs	-	3,653	1,248	3,084	-	1,944	332	66,206	76,467	71,349
Legal, finance and other	-	-	-	-	-	-	-	1,444	1,444	1,662
Audit	-	-	-	-	-	-	-	10,500	10,500	10,200
	81,872	524,385	129,489	214,546	60,792	136,760	91,637	296,407	1,535,888	1,203,849
Support and governance costs	24,770	109,166	39,842	52,959	18,529	24,372	26,769	(296,407)	-	-
Total expenditure 2019	106,642	633,551	169,331	267,505	79,321	161,132	118,406	-	1,535,888	1,203,849
Total expenditure 2018	105,107	518,477	150,634	207,663	-	97,821	124,147	-	1,203,849	

Of the total expenditure £813,534 was unrestricted (2018: £837,779) and £722,356 was restricted (2018: £366,071).

Centre for Mental Health

Notes to the financial statements

For the year ended 5 April 2019

4b Analysis of expenditure (prior year)

	Charitable activities								
	Cost of raising funds	Employment Support Programme	Prisons and Criminal Justice	Children and Young People	Influencing Policy and Practice	Other Programmes	Support and governance costs	2018 Total	2017 Total
	£	£	£	£	£	£	£	£	£
Staff costs (Note 6)	72,449	298,032	116,470	150,316	72,824	85,785	123,189	919,065	1,054,342
Direct project costs	959	86,881	2,362	9,638	2,136	13,301	11,415	126,692	290,788
Travel and subsistence	685	6,204	3,483	8,522	2,732	2,652	3,275	27,553	39,207
Printing, postage and stationery	229	1,805	13	243	77	31	958	3,356	7,668
IT costs	-	18,657	-	1,184	-	210	9,361	29,412	29,439
Communication and events	12,433	173	-	1,041	597	316	-	14,560	8,671
Establishment costs	778	33,730	52	254	1,789	1,042	33,704	71,349	191,503
Legal, finance and other	-	697	-	-	-	-	965	1,662	9,964
Audit	-	-	-	-	-	-	10,200	10,200	16,239
Depreciation	-	-	-	-	-	-	-	-	28,113
	87,533	446,179	122,380	171,198	80,155	103,337	193,067	1,203,849	1,675,934
Support and governance costs	17,574	72,298	28,254	36,465	17,666	20,810	(193,067)	-	-
Total expenditure 2018	105,107	518,477	150,634	207,663	97,821	124,147	-	1,203,849	1,675,934
Total expenditure 2017	154,530	755,609	186,393	271,964	163,539	143,899	-	1,675,934	

Of the total expenditure £837,779 was unrestricted (2017: £1,050,899) and £366,071 was restricted (2017: £625,035).

5 Net income/(expenditure) for the year

This is stated after charging:

	2019 £	2018 £
Depreciation	-	-
Operating lease rentals:		
Property	-	-
Other	1,607	1,607
Auditors' remuneration (excluding VAT):		
Audit	10,500	10,200
Other services	-	-
	<u>10,500</u>	<u>10,200</u>

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

Staff costs were as follows:

	2019 £	2018 £
Salaries and wages	877,130	757,134
Social security costs	91,455	79,926
Employer's contribution to defined contribution pension schemes	45,894	45,799
Operating costs of defined benefit pension schemes	48,521	36,206
	<u>1,063,000</u>	<u>919,065</u>

The following number of employees received employee benefits (excluding employer pension costs and employer's national insurance) during the year between:

	2019 No.	2018 No.
£60,000 – £69,999	1	1
£70,000 – £79,999	1	1
£80,000 – £89,999	1	1
	<u>1</u>	<u>1</u>

The total employee benefits (including pension contributions and employer's national insurance) of the key management personnel were £333,901 (2018: £323,084).

The charity trustees were not paid or received any other benefits from employment with the charity in the year (2018: £nil). No charity trustee received payment for professional or other services supplied to the charity (2018: £nil). No trustees' expenses were reimbursed during the financial year (£2018: £nil)

7 Staff numbers

The average number of employees (head count based on number of staff employed) during the year was as follows: 22.4 (2018: 18)

	2019 No.	2018 No.
Raising funds	1.0	1.0
Employment Support Programme	8.9	5.7
Prisons and Criminal Justice Programme	1.2	2.0
Children and Young People	1.9	1.0
Influencing Policy and Practice	3.0	3.0
Economics	1.0	1.0
Other programmes	1.0	1.2
Support	3.4	2.1
Governance	1.0	1.0
	22.4	18.0

8 Related party transactions

Aggregate donations from related parties were £50 (2018: £2,500).

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:

	2019 £	2018 £
UK corporation tax at 19% (2018: 19%)	–	NIL

10 Investments

Investments comprise:

	The group 2019 £	2018 £	The charity 2019 £	2018 £
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.

11 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:

	2019 £	2018 Restated £
Turnover	471,980	342,627
Cost of sales	(382,795)	(278,545)
Gross profit	89,185	64,082
Administrative expenses	(344)	(289)
Other operating income	-	-
Operating profit / (loss)	88,841	63,793
Interest receivable	294	50
Profit / (loss) on ordinary activities	89,135	63,843
Donation under gift aid to parent undertaking	(63,843)	(101,019)
Profit / (loss) for the financial year	25,292	(37,176)
The aggregate of the assets, liabilities and funds was:		
Assets	317,358	401,465
Liabilities	(227,223)	(336,622)
Funds	90,135	64,843

12 Parent charity

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

	2019 £	2018 £
Gross income	1,399,954	771,078
Result for the year	246,911	(90,093)

13 Debtors

	The group 2019 £	2018 £	The charity 2019 £	2018 Restated £
Fees and charges	265,202	218,501	104,936	89,762
Other debtors	7,607	8,885	7,607	8,885
Prepayments	37,560	21,571	37,560	21,571
Inter-company debtor	-	-	87,287	283,526
	310,369	248,957	237,390	403,744

14 Creditors: amounts falling due within one year

	The group		The charity	
	2019	2018	2019	2018
	£	£	£	£
Trade creditors	69,902	34,538	62,106	20,090
Taxation and social security	32,734	30,062	32,734	30,062
VAT creditor	68,481	45,380	33,392	30,951
Accruals	26,615	24,710	25,948	21,116
Deferred income	96,390	25,711	-	5,085
	294,122	160,401	154,180	107,304

15 Deferred income

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

	The group		The charity	
	2019	2018	2019	2018
	£	£	£	£
Balance at the beginning of the year	25,711	37,417	5,085	30,932
Amount released to income in the year	(88,996)	(328,393)	(5,085)	(279,148)
Amount deferred in the year	159,675	316,687	-	253,301
Balance at the end of the year	96,390	25,711	-	5,085

16 Creditors: amounts falling due after one year

	The group		The charity	
	2019	2018	2019	2018
	£	£	£	£
Accruals – pension obligations	46,570	52,588	46,570	52,588
	46,570	52,588	46,570	52,588

17 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 £47,627 (2017/18 £36,206).

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. FRS 102 requires for a multi-employer scheme that where the employer has entered into an agreement with the scheme that determines how the employer will fund a deficit, this results in the recognition of a liability for the contributions payable that arise from the agreement (to the extent that they relate to the deficit) and the resulting expense is recognised in profit or loss. The trustees have therefore recognised the discounted fair value of the contractual contributions under the funding plan in existence at the date of approving the financial statements.

As a result, the amount charged to the Statement of Financial Activities of £37,326 (2017/18: £37,405) represents employers contributions payable to this scheme during the accounting period. The rate of employer's contributions remained constant throughout the year at 18% of pensionable salaries. As at 31 March 2019, Centre for Mental Health had two active members in the scheme (2018: three).

An actuarial valuation of the scheme took place valuing the scheme's assets and liabilities as at 31 March 2017. 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 liabilities – a shortfall of £7.5 bn. This compares unfavourably with the previous triennial valuation (89% funding, a deficit of £5.3bn). 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 cost sharing contributions. The phased increases will be implemented for Member and Employer contribution rates, increasing from 1 April 2019 from 8% and 18% to 8.8% and 19.5% respectively, there are two more phased increases, the last at 1 April 2020 raising the contribution rates to 11.4% (Member) and 24.2% (Employer). A further triennial valuation is taking place based on figures for whole scheme as at 31 March 2018. This valuation is ongoing.

The final salary element of the scheme has been closed, and pension rights accrues on a Retirement Income Builder basis from 1 April 2016. For those Members who earned benefits before April 2016 on a Career Revalued Benefits basis, these will be recalculated as final salary benefits built up to 31 March 2016 and added as a service credit onto any further benefits accrued under the scheme from April 2016 onwards. Furthermore, an income when the member retire is based on how long they have been in the scheme and their salary, up to annual threshold £58,589.70 which is set each year. For those earning above this annual salary amount, contributions will be made into a USS Investment Builder.

17 Pension scheme (continued)**Universities Superannuation Scheme (USS)**

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 for any latent Section 75 debt.

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. 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 £8,568 (2017/18: £8,393) 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 during the year remained constant at 14.38 % of pensionable salaries. The 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.

18a Analysis of group net assets between funds (current year)

	General unrestricted £	Designated funds £	Restricted funds £	Total funds £
Tangible fixed assets	-	-	-	-
Net current assets	646,570	174,268	200,676	1,021,514
Long term liabilities	(46,570)	-	-	(46,570)
Income deferred falling due after one year	-	-	-	-
Net assets at the end of the year	600,000	174,268	200,676	974,944

18b Analysis of group net assets between funds (prior year)

	General unrestricted £	Designated funds £	Restricted funds £	Total funds £
Tangible fixed assets	-	-	-	-
Net current assets	585,588	90,839	78,902	755,329
Long term liabilities	(52,588)	-	-	(52,588)
Net assets at the end of the year	533,000	90,839	78,902	702,741

19a Movements in funds (current year)

	At the start of the year £	Income & gains £	Expenditure & losses £	Transfers £	At the end of the year £
Restricted funds:					
Employment Support					
Employment of Offenders	18,174	-	-	-	18,174
IESD Regional Trainer	455	-	-	-	455
City Bridge Trust	48,727	562,796	(521,115)	-	90,408
Children and Young People					
Parenting Outcomes	-	15,000	(15,000)	-	-
Shifting the Dial	-	25,516	(25,516)	-	-
CYPMHC	-	110,441	(70,844)	-	39,597
Other					
Liaison Psychiatry – Maestro	546	1,017	(1,563)	-	-
Psychology in Primary Care (BPS)	-	27,875	(23,150)	-	4,725
Economics					
Baby Loss Counselling	-	9,842	(9,842)	-	-
Influencing Policy and Practice					
Elliot Simmons CT	11,000	50,000	(50,000)	-	11,000
Crisis Care Commission	-	41,643	(5,326)	-	36,317
Total restricted funds	78,902	844,130	(722,356)	-	200,676
Unrestricted funds:					
Designated funds:					
Core funding reserve	90,839	-	-	83,429	174,268
Total designated funds	90,839	-	-	83,429	174,268
General funds	533,000	963,961	(813,532)	(83,429)	600,000
Total unrestricted funds	623,839	963,961	(813,532)	-	774,268
Total funds	702,741	1,808,091	(1,535,888)	-	974,944

19b Movements in funds (prior year)

	At the start of the year £	Income & gains £	Expenditure & losses £	Transfers £	At the end of the year £
Restricted funds:					
Employment Support					
Employment of Offenders	19,374	-	(1,200)	-	18,174
IESD Regional Trainer	23,911	20,804	(44,260)	-	455
City Bridge Trust	62,451	243,716	(257,440)	-	48,727
Children and Young People					
Parenting Outcomes	-	10,000	(10,000)	-	-
Up my street/ Better futures	2,856	2,596	(5,452)	-	-
Other					
Liaison Psychiatry – Maestro	4,400	4,865	(8,719)	-	546
Influencing Policy and Practice					
Elliot Simmons CT	-	50,000	(39,000)	-	11,000
Total restricted funds	112,992	331,981	(366,071)	-	78,902
Unrestricted funds:					
Designated funds:					
Core funding reserve	146,842	-	-	(56,003)	90,839
Total designated funds	146,842	-	-	(56,003)	90,839
General funds	533,000	781,774	(837,778)	56,003	533,000
Total unrestricted funds	679,842	781,774	(837,778)	-	623,839
Total funds	792,834	1,113,755	(1,203,849)	-	702,741

19 Purposes of restricted funds

Employment funding

The Employment of Offenders fund was a three-year project to evaluate the effectiveness of the Individual Placement and Support model within a prison setting. It was funded by three major grant making trusts came to an end in August 2016. Final report was written during 2017/18.

The Regional Trainer project was 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 came to an end in June 2017.

The City Bridge Trust found is a two and half year project to establish 6 sites of new IPS services in London to enhance delivery of IPS in capital. Founding is confirmed annually and reviewed after each Quater of delivery, the project is due to complete in July 2020.

Influencing Policy and Practice

Elliot Simmons Charitable Trust is funding our lasting legacy for mental health work for a period of two years, where we are determined to bring lasting change and create a legacy for mental health beyond the two year. Funds is used to support the Commission for Equality in Mental Health, a policy vehicle for challenging inequality and supporting marginalised groups.

Crisis Care Commission –donations have been received towards a restricted fund for a crisis care research project, where we will work with charities and other partners to find ways to provide better support for people in mental health emergencies. This will begin in Summer 2019 and last up to three years, dependent on future funding.

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.

Shifting the Dial is project founded by Big Lottery Fund (now National Lottery Community Fund). This is a partnership working to find ways to improve the resilience of young African Caribbean men. Four organisations have been funded over three years by National Lottery Community Fund: the Centre, Birmingham Repertory Theatre, First Class Legacy and Birmingham and Solihull Mental Health Foundation Trust.

Children and Young People Mental Health Coalition (CYPMHC) a membership body that brings together leading charities to campaign jointly on the mental health and wellbeing of children and young people. It is hosted by Centre for Mental Health.

Economics

Baby Loss Counselling– the Centre is conducting an economic of the therapeutic support delivered by PETALS, the baby loss counselling charity. This will be completed and published in July 2019.

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. Completion of this project is

Psychology in Primary Care – British Psychological Society has grant-funded an evaluation of three services delivering psychological support in primary care Bradford, Catterick, Shrewsbury.

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.

20 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 2019 £	2018 £	Equipment 2019 £	2018 £
Less than one year	-	-	1,607	1,607
One to five years	-	-	1,607	3,214
	-	-	3,214	4,821

21 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.