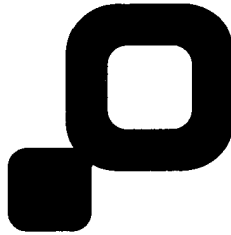


Company number: 4373019

Charity number: 1091156

Centre for
Mental Health



Centre for Mental Health
Report and Financial Statements
5 April 2020



Centre for Mental Health

Reference and administrative details

For the year ended 5 April 2020

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: Professor Dame Susan Bailey Chair Mr Richard Andrew Fass Treasurer Rt. Hon Lord Bradley of Withington Sir Andrew Dillon Lady Edwina Grosvenor Mr Michael Morley Mr Andre Tomlin Professor Kamaldeep Singh Bhui Appointed 22 January 2020
Key management Personnel	Ms Sarah Hughes BA MA DipSW Chief Executive Mr Andrew Bell BA MA Deputy Chief Executive Ms Jan Hutchinson MSc MA DipSW 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 2020

The trustees present their report and the audited financial statements for the year ended 5 April 2020.

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 ground-breaking health and social change. By disentangling complex experiences and finding big ideas that can be shared, we have developed a reputation

Centre for Mental Health

Report of the trustees

For the year ended 5 April 2020

as the people who make sense and can provide evidence that helps and makes a difference in real time and in real life.

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.

Centre for Mental Health

Report of the trustees

For the year ended 5 April 2020

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.

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 2019/20

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. With more NHS trusts setting up and expanding IPS services, more are becoming 'centres of excellence' that demonstrate they work to a high quality in our fidelity reviews.

We have also begun 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 are hosting the 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.

Centre for Mental Health

Report of the trustees

For the year ended 5 April 2020

We have published the first report from the Commission – a briefing paper exploring the unequal determinants of mental health and what can be done nationally and locally to achieve greater equality.

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. This year, the project has held two major 'fix it' events with leaders in the city in education, policing and public health about how young Black men can be supported more effectively with their mental health.

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

Centre for Mental Health hosts Equally Well UK, a unique national 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 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 share the results of the latest research and publish blogs and other resources highlighting key issues, opportunities and examples of good practice.

The Centre also completed two evidence reviews this year on the experiences of people with severe mental illness of being helped to stop smoking and of managing a healthy weight. The reviews have given important insights into what people find helpful and how support with these two important issues can be improved.

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

We have carried out vital research into new approaches to improving mental health support when people need it most. These include a service based in GP surgeries in Nottingham which offer psychological therapy to people with persistent physical symptoms. Our research demonstrated that this service not only helps people with very serious and long-term health problems but it reduces costs to the NHS.

We also reviewed the work of Petals, a charity that provides specialist counselling for people who experience the trauma and grief of baby loss. Our work showed that this meets a need that existing services are missing and called for it to be available to bereaved parents nationwide.

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's aim is to ensure that more children get effective help for their mental health, including preventing mental health difficulties. The Coalition this year published a major report on the mental health of children and young people with learning disabilities, whose needs are too often overlooked.

Centre for Mental Health

Report of the trustees

For the year ended 5 April 2020

This year Centre for Mental Health published 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. Our report showed that these initiatives have reduced the number of children who face a hospital admission far from home in a mental health emergency.

The Centre also published a review of evidence about the links between childhood trauma, challenging behaviour and the use of restrictive interventions in schools. The review concluded that the use of techniques such as isolation, exclusion and restraint can make traumas worse, whereas positive behavioural support and trauma-informed schools may be more effective longer term.

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

We 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. This year, we have shared evidence about the importance of trauma-informed approaches to mental health, especially for women and girls. We worked with Agenda to produce a report on the ways in which services for women can create a safer environment for those who have suffered abuse and violence.

The NHS has undergone significant change during the last year, with the creation in all areas of England of Integrated Care Systems. We published a briefing setting out how these new arrangements can support mental health locally.

This year the Centre welcomed our first Writer in Residence, Mark Brown. The aim of the Writer in Residence is to increase the range of voices from lived experience to mental health policy debate. Mark's writing included a detailed exploration of the mental health implications of Brexit and an investigation into the experiences of people with mental health difficulties of living in private rented housing.

The impact of Covid-19 on achieving our objectives

The Covid-19 pandemic, and the measures taken in response to it in the UK, affected some of the Centre's work in early 2020. We sought to ensure the safety and wellbeing of our staff, volunteers and others we work with during this time through a number of measures. While we were able to complete all of our work for the year on time, we had to postpone face-to-face events from 12 March onwards and establish home working for all staff from 17 March. Many of the face-to-face activities we planned were moved safely and successfully online. As a result of these steps, we were able to sustain our essential work and achieve our objectives for the year while keeping people safe and well.

Financial Review

Unrestricted income for the year amounted to £1,165,071 (2018/19 – £963,961) whilst unrestricted expenditure amounted to £958,613 (2018/19 - £813,532). This gave rise to a surplus of unrestricted funds for the year of £206,458 (2018/19 deficit £150,429), as shown on the Statement of Financial Activities.

Centre for Mental Health

Report of the trustees

For the year ended 5 April 2020

Activity within restricted funds has given a deficit in the year of £16,475. This does not represent a call on reserves, as the deficit of restricted funds is carried forward within projects that are active over a number of financial years. The restricted funds carried forward from previous years on projects which came to an end have been moved to unrestricted funds as agreed with Founders in total amount of £9,542 in this financial year. Details of these restricted activities and funds can be found in note 19a to the accounts.

Total consolidated funds carried forward at 5 April 2020 are £1,162,927 (2018/19: £974,944).

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 2020, that will require minimum free reserves of £600,000 to be held (2019: £600,000).

In view of the expected demands on unrestricted funds next year because of the continuing impact of COVID-19 on all income sources, the trustees have agreed to make available up to £390,268 of free reserves to protect as much of the charity's current capacity as possible and to help it build for the future.

Group free reserves held at 5 April 2020 amounted to £600,000, being group net assets of £1,162,927 less restricted funds of £174,659 and designated funds of £390,268.

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.

Centre for Mental Health

Report of the trustees

For the year ended 5 April 2020

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 2019/20 sales income was derived from several sources including IPS training courses and consultancy services. The subsidiary made an operating profit of £49,547 (2018/19: £89,135), 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:

- Business Continuity and Disaster Recovery.
- 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.

The Centre has a business continuity action plan which Trustees reviewed in March 2020 to ensure we can continue to carry out our work and meet our obligations during the pandemic. The action plan enables all

Centre for Mental Health

Report of the trustees

For the year ended 5 April 2020

staff to work from home (with necessary equipment and adaptations) and that all our business processes can continue while staff, trustees and other stakeholders are all working remotely.

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 2020/21

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. And we know that the Covid-19 pandemic this year will place unprecedented strain on people's mental health. We're taking action now to change that, both now and for the future.

Our objectives and activities in the next year will include:

To support mental health and reduce inequalities during Covid-19

The Covid-19 pandemic is a national and international emergency that has profound and far-reaching implications for mental health, both immediately and longer term. Centre for Mental Health will be at the heart of efforts to understand what Covid-19 means for our mental health and to bring evidence to bear on policy and practice.

This year, we will publish a series of forecasts of the mental health impacts of Covid-19 in the UK. We will explore the effects of Covid-19 and the restrictions that have been put in place on people with mental health conditions. We will advocate for changes to national and local policies where necessary to support people who are at risk. And we will provide a platform for people to share their experiences of the crisis, including through a major new initiative to collect and publish stories about Covid-19 and mental health, *A Year in Our Lives*.

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. We will train employment specialists, develop new services to help people to get work when they are ready, and help those that are working to assess their effectiveness according to internationally recognised standards.

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'. We will publish the Commission's final report later in 2020 with recommendations for national policies that can reduce mental health inequalities as well as actions that can be taken locally to achieve better mental health for all.

Centre for Mental Health

Report of the trustees

For the year ended 5 April 2020

We will continue to evaluate and support the ground-breaking Shifting the Dial project in Birmingham, supporting resilience and mental health among young Black men in the city.

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. This will include the production of resources to help people with mental health conditions to maintain their physical health during the Covid-19 crisis.

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

We will continue work to improve mental health support in primary care, using evidence from innovative services across the country to demonstrate how to meet people's needs close to home.

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 will continue to host the Children and Young People's Mental Health Coalition, which recently appointed Sir Norman Lamb as its chair. The Coalition will this year publish a review of the state of children and young people's mental health in England. The Coalition is also bringing together organisations responding to the mental health needs of children and young people during Covid-19 to ensure that these are heard by policymakers.

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 continue support our network of more than 120 local authorities with elected member champions for mental health through bespoke advice, information, training and events.

The impact of Covid-19 on our objectives for 2020/21 and plans for the future

The Covid-19 outbreak has had a marked impact on our objectives and work plans for the year ahead. As a mental health charity, we sought from the outset to be actively engaged in efforts to secure the public's mental health at a time of unprecedented strain, and this is included as an objectives for the year (above) in its own right. We have also had to take into account the impact of the situation on the way we work and on the timing of projects. For example we plan to support staff and volunteers to work at home for as long as they need to, and all face-to-face meetings and events will be held online until it is safe to do otherwise. We will continue to prioritise people's safety and wellbeing while also working to achieve our objectives in the

Centre for Mental Health

Report of the trustees

For the year ended 5 April 2020

year ahead, where necessary revising the timescales for projects that require some face-to-face contact that cannot be achieved using digital technology.

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.

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 2020 was 8 (2019 - 8). The trustees

Centre for Mental Health

Report of the trustees

For the year ended 5 April 2020

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 22 July 2020 and signed on their behalf by

Professor Sue Bailey
Chairman

Susan Bailey

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 2020 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 2020 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

Independent auditor's report

To the members of

Centre for Mental Health

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

Independent auditor's report

To the members of

Centre for Mental Health

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. 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.

Independent auditor's report

To the members of

Centre for Mental Health

- 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.

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)

24 July 2020

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 2020

	Note	Unrestricted £	Restricted £	2020 Total £	Unrestricted £	Restricted £	2019 Total £
Income from:							
Donations and legacies	2	17,969	-	17,969	78,413	-	78,413
Charitable activities							
Employment Support Programme	3	233,105	361,213	594,318	195,354	562,796	758,150
Adults Research incl. Prisons and	3	327,208	48,000	375,208	92,738	27,875	120,613
Children and Young People	3	275,628	152,605	428,233	175,788	150,956	326,745
Economics	3	122,158	9,842	132,000	80,049	9,842	89,891
Influencing Policy and Practice	3	133,352	20,476	153,828	178,783	91,644	270,427
Other Programmes	3	53,332	3,684	57,016	161,656	1,017	162,673
Investments – Interest receivable		2,319	-	2,319	1,180	-	1,180
Total income		1,165,071	595,820	1,760,891	963,961	844,130	1,808,091
Expenditure on:							
Raising funds	4	151,000	-	151,000	106,642	-	106,642
Charitable activities							
Employment Support Programme	4	101,870	393,368	495,238	112,436	521,115	633,551
Adults Research incl. Prisons and	4	194,001	41,883	235,884	169,331	-	169,331
Children and Young People	4	167,950	118,238	286,188	156,145	111,360	267,505
Economics	4	86,891	9,842	96,733	69,479	9,842	79,321
Influencing Policy and Practice	4	167,178	40,555	207,733	105,806	55,326	161,132
Other programmes	4	89,723	8,409	98,132	93,693	24,713	118,406
Total expenditure		958,613	612,295	1,570,908	813,532	722,356	1,535,888
Net income / (expenditure) before transfers between funds	5	206,458	(16,475)	189,983	150,429	121,774	272,203
Transfers between funds		9,542	(9,542)	-	-	-	-
Net movement in funds		216,000	(26,017)	189,983	150,429	121,774	272,203
Reconciliation of funds:							
Total funds brought forward		774,268	200,676	974,944	623,839	78,902	702,741
Total funds carried forward		990,268	174,659	1,164,927	774,268	200,676	974,944

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.

Balance sheets

Company no. 4373019

As at 5 April 2020

	Note	The group		The charity	
		2020	2019	2020	2019
		£	£	£	£
Fixed assets:					
Investments	10	-	-	1,000	1,000
		-	-	1,000	1,000
Current assets:					
Debtors	13	248,649	310,369	314,571	237,390
Cash at bank and in hand		1,274,382	1,005,267	1,019,763	848,167
		1,523,031	1,315,636	1,334,334	1,085,557
Liabilities:					
Creditors: amounts falling due within one year	14	311,534	294,122	173,384	154,180
Net current assets		1,211,497	1,021,514	1,160,950	931,377
Total assets less current liabilities		1,211,497	1,021,514	1,161,950	932,377
Creditors: amounts falling due after one year	16	46,570	46,570	46,570	46,570
Total net assets	18	1,164,927	974,944	1,115,380	885,807
Funds:	19				
Restricted income funds		174,659	200,676	174,659	200,676
Unrestricted income funds:					
Designated funds		390,268	174,268	340,721	174,268
General funds		600,000	600,000	600,000	510,863
Total unrestricted funds		990,268	774,268	940,721	685,131
Total funds		1,164,927	974,944	1,115,380	885,807

Approved by the trustees on 22 July and signed on their behalf by

Professor Dame Susan Bailey
Chairman

Susan Bailey

Centre for Mental Health

Consolidated statement of cash flows

For the year ended 5 April 2020

	2020 £	2019 £
Cash flows from operating activities		
Net cash provided by / (used in) operating activities	266,796	337,314
Cash flows from investing activities:		
Dividends, interest and rents from investments	2,319	1,180
Change in cash and cash equivalents in the year	269,115	338,494
Cash and cash equivalents at the beginning of the year	1,005,267	666,773
Cash and cash equivalents at the end of the year	1,274,382	1,005,267
Reconciliation of net income / (expenditure) to net cash flow from operating activities		
	2020 £	2019 £
Net expenditure for the reporting period (as per the statement of financial activities)	189,983	272,203
Depreciation charges	-	-
Dividends, interest and rent from investments	(2,319)	(1,180)
(Increase)/decrease in debtors	61,720	(61,412)
Decrease in creditors	17,412	127,703
Net cash provided (used in) operating activities	266,796	337,314

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 2019) – (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	25%
• Adults Research incl. Prisons and Criminal Justice	18%
• Children and Young People	16%
• Economics	8%
• Influencing policy and practice	12%
• Other	8%
• Costs of generating income	13%

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 three 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.

Centre for Mental Health

Notes to the financial statements

For the year ended 5 April 2020

2 Income from donations and legacies

	Unrestricted £	Restricted £	2020 Total £	Unrestricted £	Restricted £	2019 Total £
Donations	17,969		17,969	78,413	-	78,413
	17,969	-	17,969	78,413	-	78,413

3 Income from charitable activities

	Unrestricted £	Restricted £	2020 Total £	Unrestricted £	Restricted £	2019 Total £
Henry Smith Charity	-	(9,087)	(9,087)	-	-	-
City Bridge Trust	-	370,300	370,300	-	562,796	562,796
IPS training income	206,825	-	206,825	122,872	-	122,872
Other income – Employment Support Programme	26,280	-	26,280	72,482	-	72,482
Sub-total for Employment Support Programme	233,105	361,213	594,318	195,354	562,796	758,150
St. Giles Trust	-	48,000	48,000	-	-	-
BPS	-	-	-	-	27,875	27,875
NHS England	114,420	-	114,420	14,694	-	14,694
Ministry of Justice	-	-	-	9,244	-	9,244
BEH MH NHS	-	-	-	31,667	-	31,667
MHFA	62,356	-	62,356	12,600	-	12,600
IMH Uni of Nottingham	-	-	-	14,522	-	14,522
Health Education England	45,444	-	45,444	-	-	-
GMCA	14,898	-	14,898	-	-	-
CLWS West London CCG	17,309	-	17,309	-	-	-
NHS West London CCG	21,636	-	21,636	-	-	-
NSCHT – North Staffordshire	19,740	-	19,740	-	-	-
Oxford Health NHS FT	19,078	-	19,078	-	-	-
Rethink Mental Health	9,200	-	9,200	-	-	-
Other income – Prisons and Criminal Justice	3,127	-	3,127	10,011	-	10,011
Sub-total for Adults Research incl. Prisons and Criminal Justice	327,208	48,000	375,208	92,738	27,875	120,613

Centre for Mental Health

Notes to the financial statements

For the year ended 5 April 2020

Esmee Fairbairn Foundation	-	-	-	-	15,000	15,000
CYPMHC- various founders	-	107,806	107,806	-	110,441	110,441
Big Lottery Found	-	44,799	44,799	-	25,516	25,516
BBC Childer in Needs	60,646	-	60,646	-	-	-
Bradford Districts CCG	34,167	-	34,167	-	-	-
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	8,333	-	8,333	12,500	-	12,500
Hertfordshire County Council	-	-	-	5,650	-	5,650
Royal College of Psychiatrists	-	-	-	6,500	-	6,500
The Royal Foundation	-	-	-	32,100	-	32,100
NHSE	88,874	-	88,874	38,236	-	38,236
Dudley Metropolitan Borough Council	-	-	-	16,450	-	16,450
UK Council for Psychotherapy	-	-	-	4,750	-	4,750
UCL	10,000	-	10,000	-	-	-
Centre 33	5,896	-	5,896	-	-	-
Health Education England	12,650	-	12,650	-	-	-
MIND	9,500	-	9,500	-	-	-
University of Reading	30,404	-	30,404	-	-	-
Place2Be	11,667	-	11,667	-	-	-
The WISH Centre	-	-	-	16,617	-	16,617
Other income - Children and Young People	3,492	-	3,492	9,035	-	9,035
Sub-total for Children and Young People	275,628	152,605	428,233	175,788	150,956	326,745

3 Income from charitable activities (continued)

	Unrestricted	Restricted	2020 Total	Unrestricted	Restricted	2019 Total
Elliot Simmons CT	-	-	-	-	50,000	50,000
ACEVO	31,400	-	31,400	24,600	-	24,600
AMHP	42,250	-	42,250	23,900	-	23,900
Dudley MBC	-	-	-	16,450	-	16,450
HAFAL	-	-	-	6,000	-	6,000
CRH Charitable Trust	8,000	-	8,000	-	-	-
NHS Confederation	-	-	-	7,733	-	7,733
West London NHS FT	5,000	-	5,000	-	-	-
PHE	3,200	-	3,200	20,500	-	20,500
Department of Health	-	-	-	42,448	-	42,448
Royal College of Nursing	2,500	-	2,500	6,150	-	6,150
UCL	4,000	-	4,000	5,000	-	5,000
Health Education England	5,174	-	5,174	-	-	-
Various	5,128	20,476	25,604	26,002	41,644	67,646
LGA	6,650	-	6,650	-	-	-
Barnet, Enfield and Haringey Mental Health NHS FT	5,000	-	5,000	-	-	-
NHS England	5,000	-	5,000	-	-	-
Oxford Health NHS FT	2,600	-	2,600	-	-	-
Kingston University	1,000	-	1,000	-	-	-
Royal College of Psychiatrists	2,500	-	2,500	-	-	-
Homeless Link	3,950	-	3,950	-	-	-
Sub-total for Influencing policy and practice	133,352	20,476	153,828	178,783	91,644	270,427
NHS Confederation	110,713	-	110,713	62,000	-	62,000
XenZone	5,500	-	5,500	11,100	-	11,100
PETALS	-	9,842	9,842	-	9,842	9,842
Rushcliffe CCG	5,945	-	5,945	-	-	-
Various	-	-	-	6,949	-	6,949
Sub-total for Economics	122,158	9,842	132,000	80,049	9,842	89,891
The Tavistock & Portman NHS	-	-	-	8,348	-	8,348
Forces in Mind Trust	51,357	-	51,357	77,233	-	77,233
Health Education England	-	-	-	13,435	-	13,435
Islington CCG	-	-	-	43,110	-	43,110
NIHR	-	3,684	3,684	-	1,017	1,017
Rethink Mental Illness	-	-	-	7,667	-	7,667
The Economic and Social Research Council	-	-	-	5,085	-	5,085
Other income	1,975	-	1,975	6,778	-	6,778
Sub-total for Other	53,332	3,684	57,016	161,656	1,017	162,673
Total income from charitable	1,144,783	595,820	1,740,603	884,368	844,130	1,728,449

Centre for Mental Health

Notes to the financial statements

For the year ended 5 April 2020

4a

	Charitable activities								2020 Total £	2019 Total £
	Cost of raising funds £	Employment Support Programme £	Adults Research incl. PCJ £	Children and Young People £	Economics	Influencing Policy and Practice £	Other Programmes £	Support and governance costs £		
Staff costs (Note 6)	109,024	217,429	156,556	142,094	73,279	107,848	69,844	164,392	1,040,466	1,063,000
Direct project costs	3,905	195,556	27,061	90,069	543	59,951	3,710	12,031	392,826	306,202
Travel and subsistence	296	6,693	478	3,015	402	3,899	1,306	15,184	31,273	28,023
Printing, postage and stationery	-	49	14	36	-	112	-	2,915	3,126	2,727
IT costs	-	2,514	1,076	2,950	-	509	637	18,821	26,507	32,124
Communication and events	-	743	54	2,050	-	283	-	2,964	6,094	15,401
Establishment costs	1,198	1,913	-	956	-	1,368	126	53,385	58,946	76,467
Legal, finance and other	-	-	-	-	-	-	-	970	970	1,444
Audit	-	-	-	-	-	-	-	10,700	10,700	10,500
	114,423	424,897	185,239	241,170	74,224	173,970	75,623	281,362	1,570,908	1,535,888
Support and governance costs	36,577	70,341	50,645	45,018	22,509	33,763	22,509	(281,362)	-	-
Total expenditure 2020	151,000	495,238	235,884	286,188	96,733	207,733	98,132	-	1,570,908	
Total expenditure 2019	106,642	633,551	169,331	267,505	79,321	161,132	118,406	-	1,535,888	

Of the total expenditure £958,613 was unrestricted (2019: £813,534) and £612,295 was restricted (2019: £722,356).

Centre for Mental Health

Notes to the financial statements

For the year ended 5 April 2020 (prior year)

4b

	Charitable activities								2019 Total £
	Cost of raising funds £	Employment Support Programme £	Adults Research incl. PCJ £	Children and Young People £	Economics	Influencing Policy and Practice £	Other Programmes £	Support and governance costs £	
Staff costs (Note 6)	75,456	332,554	121,372	161,329	56,444	74,246	81,552	160,047	1,063,000
Direct project costs	6,328	175,735	2,093	42,614	3,815	50,951	5,095	19,571	306,202
Travel and subsistence	51	5,116	4,776	5,075	533	1,788	3,073	7,611	28,023
Printing, postage and stationery	37	319	-	124	-	14	-	2,233	2,727
IT costs	-	5,438	-	1,566	-	1,425	24	23,671	32,124
Communication and events	-	1,570	-	754	-	6,392	1,561	5,124	15,401
Establishment costs	-	3,653	1,248	3,084	-	1,944	332	66,206	76,467
Legal, finance and other	-	-	-	-	-	-	-	1,444	1,444
Audit	-	-	-	-	-	-	-	10,500	10,500
	81,872	524,385	129,489	214,546	60,792	136,760	91,637	296,407	1,535,888
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
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).

5 Net income/(expenditure) for the year

This is stated after charging:

	2020 £	2019 £
Operating lease rentals:		
Other	1,607	1,607
Auditors' remuneration (excluding VAT):		
Audit	10,700	10,500
	<u>10,700</u>	<u>10,500</u>

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

Staff costs were as follows:

	2020 £	2019 £
Salaries and wages	860,463	877,130
Social security costs	81,812	91,455
Employer's contribution to defined contribution pension schemes	41,727	45,894
Operating costs of defined benefit pension schemes	56,464	48,521
	<u>1,040,466</u>	<u>1,063,000</u>

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

	2020 No.	2019 No.
£60,000 – £69,999	2	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 £358,634 (2019: £333,901).

The charity trustees were not paid or received any other benefits from employment with the charity in the year (2019: £nil). No charity trustee received payment for professional or other services supplied to the charity (2019: £nil). No trustees' expenses were reimbursed during the financial year (£2019: £nil).

Centre for Mental Health

Notes to the financial statements

For the year ended 5 April 2020

7 Staff numbers

The average number of employees (head count based on number of staff employed) during the year was as follows: 21.0 (2019: 22.4)

	2020 No.	2019 No.
Raising funds	1.3	1.0
Employment Support Programme	5.7	8.9
Prisons and Criminal Justice Programme	1.8	1.2
Children and Young People	2.6	1.9
Influencing Policy and Practice	3.9	3.0
Economics	1.1	1.0
Other programmes	0.6	1.0
Support	3.0	3.4
Governance	1.0	1.0
	21.0	22.4

8 Related party transactions

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:

	2020 £	2019 £
UK corporation tax at 19% (2018: 19%)	-	-

10 Investments

Investments comprise:

	The group		The charity	
	2020 £	2019 £	2020 £	2019 £
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 2020

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:

	2020	2019
	£	£
Turnover	540,063	471,980
Cost of sales	(490,740)	(382,795)
Gross profit	49,323	89,185
Administrative expenses	(402)	(344)
Other operating income	-	-
Operating profit / (loss)	48,921	88,841
Interest receivable	626	294
Profit / (loss) on ordinary activities	49,547	89,135
Donation under gift aid to parent undertaking	(89,135)	(63,843)
Profit / (loss) for the financial year	(39,588)	25,292
The aggregate of the assets, liabilities and funds was:		
Assets	425,503	317,358
Liabilities	(374,956)	(227,223)
Funds	50,547	90,135

12 Parent charity

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

	2020	2019
	£	£
Gross income	1,220,828	1,399,954
Result for the year	140,436	246,911

13 Debtors

	The group		The charity	
	2020	2019	2020	2019
	£	£	£	£
Fees and charges	228,968	265,202	58,084	104,936
Other debtors	9,298	7,607	9,298	7,607
Prepayments	10,383	37,560	10,383	37,560
Inter-company debtor	-	-	236,806	87,287
	248,649	310,369	314,571	237,390

14 Creditors: amounts falling due within one year

	The group		The charity	
	2020	2019	2020	2019
	£	£	£	£
Trade creditors	40,849	69,902	22,285	62,106
Taxation and social security	23,886	32,734	23,886	32,734
VAT creditor	101,426	68,481	73,025	33,392
Accruals	35,611	26,615	19,405	25,948
Deferred income	109,762	96,390	34,783	-
	311,534	294,122	173,384	154,180

15 Deferred income

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

	The group		The charity	
	2020	2019	2020	2019
	£	£	£	£
Balance at the beginning of the year	96,390	25,711	-	5,085
Amount released to income in the year	(340,837)	(88,996)	(75,228)	(5,085)
Amount deferred in the year	354,208	159,675	110,011	-
Balance at the end of the year	109,761	96,390	34,783	-

16 Creditors: amounts falling due after one year

	The group		The charity	
	2020	2019	2020	2019
	£	£	£	£
Accruals – pension obligations	46,570	46,570	46,570	46,570
	46,570	46,570	46,570	46,570

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 £55,207 (2018/19 £47,627).

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 £33,000 (2018/19: £37,326) represents employer's contributions payable to this scheme during the accounting period. The rate of employer's contributions was for period April 2019 to September 2019 at 19.5% of pensionable salaries and then increased to 21.10% from October 2019 to 30 September 2021. Further increase is planned from 30 September 2021 in relation to employee and employer's contributions; increasing to 11% and 23.7% respectively. As at 31 March 2020, Centre for Mental Health had two active members in the scheme (2019: two).

Last actuarial valuation of the scheme took place valuing the scheme's assets and liabilities as at 31 March 2018. The valuation was carried out using the projected unit method and found that the scheme's assets were sufficient to cover 95% of the scheme's liabilities – a shortfall of £3.6 bn. This compares favourably with the previous triennial valuation as at 31 March 2017 (89% funding, a deficit of £7.5bn). In the years that the scheme do not do an actuarial valuation, they produce an actuarial report called a funding update. The results of the funding update, as at 31 March 2019, showed that the scheme's liabilities have increased faster than assets since the 2018 valuation, causing the deficit to increase to £5.4bn and the funding level to fall to 93%.

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 Related 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 retires is based on how long they have been in the scheme and their salary, up to annual threshold of £59,585.72 for 2020/21. Salary threshold 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 £8,726 (2018/19: £8,568) 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 remained unchanged since last year at 9.60% of pensionable earnings.

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 £
Net current assets	646,570	390,268	174,659	1,211,497
Long term liabilities	(46,570)	-	-	(46,570)
Net assets at the end of the year	600,000	390,268	174,659	1,164,927

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

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

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	(9,087)	-	(9,087)	-
IESD Regional Trainer	455	-	-	(455)	-
City Bridge Trust	90,408	370,300	(393,368)	-	67,340
Adults Research incl. Prisons and Criminal Justice					
St. Giles Trust evaluation	-	48,000	(41,883)	-	6,117
Children and Young People					
Shifting the Dial	-	44,799	(38,537)	-	6,262
CYPMHC	39,597	107,806	(79,701)	-	67,702
Other					
Liaison Psychiatry – Maestro	-	3,684	(3,684)	-	-
Psychology in Primary Care (BPS)	4,725	-	(4,725)	-	-
Economics					
Baby Loss Counselling	-	9,842	(9,842)	-	-
Influencing Policy and Practice					
Elliot Simmons CT	11,000	-	(9,256)	-	1,744
Crisis Care Commission	36,317	20,476	(31,299)	-	25,494
Total restricted funds	200,676	595,820	(612,295)	(9,542)	174,659
Unrestricted funds:					
Designated funds:					
Core funding reserve	174,268	-	-	216,000	390,268
Total designated funds	174,268	-	-	216,000	390,268
General funds	600,000	1,165,071	(958,613)	(206,458)	600,000
Total unrestricted funds	774,268	1,165,071	(958,613)	9,542	990,268
Total funds	974,944	1,760,891	(1,570,908)	-	1,164,927

The transfer of the restricted funds has been agreed with the donors.

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	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

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 leagcy for mental health beyond the two year. Funds is used to support the Commision 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 was a joint project with Place2Be, funded by Esme Fairbairn Foundation to evaluate parenting interventions and provided 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.

Childern 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.

Adults Research incl. Prisons and Criminal Justice

St Giles Trust Evaluation–This project will evaluate an intervention of St Giles Trust and Project Future that aims to bridge people who receive this intervention into a range of supportive services that can address their health and social needs. The project began in July 2019 and will last for 2 years.

Economics

Baby Loss Counselling– the Centre has conducted an economic evalutaion of the therapeutic support delivered by PETALS, the baby loss counselling charity. This was completed and published in July 2019.

Other restricted funding

The Liaison Psychiatry (Maestro) project was 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. The final report was produced and published in February 2020.

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 2020 £	2019 £	Equipment 2020 £	2019 £
Less than one year	-	-	1,607	1,607
One to five years	-	-	938	2,545
	-	-	2,545	4,152

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.