

Company number: 4373019
Charity number: 1091156



Centre for Mental Health
Report and Financial Statements
5 April 2022

Centre for Mental Health

Reference and administrative details

For the year ended 5 April 2022

Company number 4373019

Charity number 1091156

**Registered office
and operational
address** RM AG.22, 11-13 Cavendish Square
London
W1 G 0AN

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
Rt. Hon Lord Bradley of Withington	
Sir Andrew Dillon	
Lady Edwina Grosvenor	Retired 27 January 2022
Mr Michael Morley	
Mr Andre Tomlin	
Professor Kamaldeep Singh Bhui	
Poppy Jaman	
Christopher Paul Chapman	Treasurer

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 Dajczak MAcc	Associate Director of Finance and Resources

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 2022

The trustees present their report and the audited financial statements for the year ended 5 April 2022.

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.

The charity began a governance review in October 2021 using the Charity Governance Code as the basis for reviewing our current arrangements and identifying any necessary changes. As part of that process, we are carrying out a Trustee Skills Audit, reviewing our honorary roles, and continuing to address equality, diversity and inclusion throughout the organisation.

Centre for Mental Health

Report of the trustees

For the year ended 5 April 2022

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 disadvantages 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 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.

Centre for Mental Health

Report of the trustees

For the year ended 5 April 2022

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.

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 2021/22

During the last year, we have been focused on achieving the five high level goals set out in our five year strategy (for 2021-2025). These are:

1. To secure a whole government strategy for mental health and neurodiversity including housing, welfare, health, business, justice and defence.
2. To ensure that every child has a fair chance in life, and we see an increase in investment into early years support.
3. That people with mental health difficulties and neurodiversity get quality and values-driven health and social care services including physical health, work, housing and other basic needs.
4. That the government deal with the things we know make people ill, including poverty, racism, discrimination, exclusion, poor housing, punitive welfare systems, and systemic pressure.
5. To work within the Criminal Justice System to develop the best evidence for prevention, safe and secure prisons and resettlement to ensure people entering into the pathway have their mental and physical health needs met.

In the pursuit of these high level goals, during 2021/22 we:

- Continued to track the impact of the pandemic on the mental health of the nation, providing vital intelligence to national and local decision-makers.
- Worked with global partners to develop shared priorities, including the creation of a Global Consensus Statement on equitable access to vaccinations for people with mental health conditions
- Continued our Writer in Residence programme, with Ramone Whittle and Amy Pollard successively taking the role during the year.
- Campaigned for changes to the Health and Care Act to ensure the new system in England places mental health on a par with physical health and has a clear mandate to address inequalities.

Centre for Mental Health

Report of the trustees

For the year ended 5 April 2022

- Began work on a major new three-year programme supporting Young Changemakers from racialised communities to embark on social action projects. The programme is a partnership between UK Youth, The Diana Award and Centre for Mental Health, funded by Comic Relief and the People's Postcode Lottery.
- Delivered bespoke training to mental health teams on Individual Placement and Support to enable more people to get effective help with employment.
- Worked towards becoming an Anti-Racist organisation, building on our anti-racism strategy, published in March 2021. We reviewed and updated our recruitment processes, and we have held two one-day workshops with our staff team to develop our ability to embed anti-racist action into all of our work.
- Completed the evaluation of Student Space, a resource designed to support students' mental health during the Covid-19 pandemic lockdowns and beyond, and a review of learning from London's mental health voluntary and community sector organisations during the pandemic.
- Completed the three-year Shifting the Dial project, working with young Black men in Birmingham on projects designed to boost wellbeing. The project concluded with a major report and a celebration event in the city.
- Published economic analyses of the priorities for both children's and adult mental health services, taking a long-term view of key areas for investment and reform.
- Published a review of the needs and experiences of girls in the Children and Young People's Secure Estate and a major report on the future of prison mental health services.
- Produced a manifesto for local councils on the steps they can take to reduce mental health inequalities in their communities.
- Published a review of inequities in mental health research, exploring how the research sector could better address inequalities in all aspects of its work.
- Published a major report on the mental health needs of people with long-term physical health conditions, in partnership with National Voices.
- Supported learning and system change in local and regional systems nationwide, including tailored work in Greater Manchester, Cambridgeshire and Peterborough, Greater London, and Surrey.
- Expanded our capacity to deliver our essential work through recruiting additional research team members, including a specialist children and young people's mental health researcher.

The impact of Covid-19 and other external factors on achieving our objectives

The Covid-19 pandemic has had a significant impact on the Centre's work and ways of working. It has changed the nature of our task through its impacts on mental health, creating new challenges and areas of work – for example in supporting people with mental health difficulties to get equitable access to vaccinations. It has also changed the way we work day-to-day, with the majority of staff working remotely long-term.

The trustees have considered the impact of the pandemic and other major national and international events on the Centre's work and sustainability. The Centre demonstrated that it was able to adapt to the pandemic

Centre for Mental Health

Report of the trustees

For the year ended 5 April 2022

and make changes, for example to our office accommodation, to ensure we are sustainable and making efficient use of our resources in achieving our objectives.

The trustees will continue to monitor any impacts from other major events, including the impacts of Brexit, conflict in Ukraine and the climate crisis, on our work and our sustainability.

Financial Review

Unrestricted income for the year amounted to £952,241 (2020/21: £835,539) whilst unrestricted expenditure amounted to £941,223 (2020/21: £1,055,005). This resulted with a profit and increase in unrestricted funds for the year with amount of £11,018 (2020/21 deficit £219,466), as shown on the Statement of Financial Activities.

Activity within restricted funds has given a given rise to a surplus in the year of £105,287. This does not represent a call on unrestricted 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 as of 5 April 2022 are £997,204 (2020/21: £880,899).

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 2022, that will require minimum free reserves of £600,000 to be held (2021: £600,000).

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Report of the trustees

For the year ended 5 April 2022

Group free reserves held at 5 April 2022 amounted to £781,820, being group net assets of £997,204, less restricted funds of £215,384.

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 2021/22 sales income was derived from several sources including IPS training courses and consultancy services. The subsidiary made a profit of £124,171 (2020/21: loss £12,946). The profit for 2021/22 has been donated via Gift Aid to the charitable parent in amount of £111,225. 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.
- 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.
- Going concern consideration, both the senior management team and the trustees have considered the assumptions created for the going concern consideration and the resulting conclusions, using different levels of uncertainty over significant amounts income and have agreed appropriate actions should income not materialise as planned. They have concluded that there are currently no material uncertainties about going concern due to the relatively high percentage of budgeted income that has already been committed for the financial year ending 5 April 2022 and that, should further budgeted income not be secured, robust plans are in place to make any necessary reductions in expenditure to maintain going concern status.

Centre for Mental Health

Report of the trustees

For the year ended 5 April 2022

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 2021 to ensure we can continue to carry out our work and meet our obligations during the pandemic. The action plan enables all 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 2022/23

In 2022/23 we will continue to pursue the five high level goals for the charity within our five year strategy:

1. To secure a whole government strategy for mental health and neurodiversity including housing, welfare, health, business, justice and defence.
2. To ensure that every child has a fair chance in life, and we see an increase in investment into early years support.
3. That people with mental health difficulties and neurodiversity get quality and values-driven health and social care services including physical health, work, housing and other basic needs.
4. That the government deal with the things we know make people ill, including poverty, racism, discrimination, exclusion, poor housing, punitive welfare systems, and systemic pressure.
5. To work within the Criminal Justice System to develop the best evidence for prevention, safe and secure prisons and resettlement to ensure people entering into the pathway have their mental and physical health needs met.

To enable us to achieve these objectives, over the next year we will take steps including:

- We will provide evidence to government about the evidence-based priorities for its new ten year mental health plan.

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Report of the trustees

For the year ended 5 April 2022

- We will work with the NHS in England to support the delivery and updating of the NHS Long Term Plan's mental health elements.
- We will establish a network of mental health leaders working in Integrated Care Systems to support the local application of evidence-based approaches to reducing mental health inequalities.
- We will continue to work towards being an Anti-Racist organisation, continuing to implement and review our Action Plan, published in March 2021. This will include a review of the experiences of people working with the Centre from racialised communities.
- We will review our brand and identity to ensure that they reflect our values and purpose.
- We will develop our capacity to deliver high quality, cutting-edge work, building our multi-disciplinary team of staff and associates.
- We will build our peer research capability, in partnership with people with lived experience of mental health inequalities.
- We will work alongside local and regional systems to help them to apply evidence into practice. This includes supporting the West Midlands Mental Health Commission and ongoing work with local authorities in Greater Manchester.
- We will extend our international networks, working collaboratively with partners outside the UK to share learning and understanding globally.

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.

Centre for Mental Health

Report of the trustees

For the year ended 5 April 2022

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 2021 was 9 (2020 - 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 28 July 2022 and signed on their behalf by



Professor Dame Sue Bailey
Chairman

Independent auditor's report

To the members of

Centre for Mental Health

Opinion

We have audited the financial statements of The Centre for Mental Health (the 'charitable company') for the year ended 5 April 2022 which comprise the statement of financial activities, balance sheet, statement of cash flows and notes to the financial statements, including significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including FRS 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 2022 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

In auditing the financial statements, we have concluded that the trustees' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on The Centre for Mental Health's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the trustees with respect to going concern are described in the relevant sections of this report.

Independent auditor's report

To the members of

Centre for Mental Health

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 contained within the annual report. 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. 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 course of 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 this gives rise to a material misstatement in the financial statements themselves. 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; and
- 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 directors 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

Independent auditor's report

To the members of

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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.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud are set out below.

Capability of the audit in detecting irregularities

In identifying and assessing risks of material misstatement in respect of irregularities, including fraud and non-compliance with laws and regulations, our procedures included the following:

- We enquired of management, which included obtaining and reviewing supporting documentation, concerning the charity's policies and procedures relating to:
- Identifying, evaluating, and complying with laws and regulations and whether they were aware of any instances of non-compliance;
- Detecting and responding to the risks of fraud and whether they have knowledge of any actual, suspected, or alleged fraud;
- The internal controls established to mitigate risks related to fraud or non-compliance with laws and regulations.
- We inspected the minutes of meetings of those charged with governance.
- We obtained an understanding of the legal and regulatory framework that the charity operates in, focusing on those laws and regulations that had a material effect on the financial statements or that had a fundamental effect on the operations of the charity from our professional and sector experience.
- We communicated applicable laws and regulations throughout the audit team and remained alert to any indications of non-compliance throughout the audit.

Independent auditor's report

To the members of

Centre for Mental Health

- We reviewed any reports made to regulators.
- We reviewed the financial statement disclosures and tested these to supporting documentation to assess compliance with applicable laws and regulations.
- We performed analytical procedures to identify any unusual or unexpected relationships that may indicate risks of material misstatement due to fraud.
- In addressing the risk of fraud through management override of controls, we tested the appropriateness of journal entries and other adjustments, assessed whether the judgements made in making accounting estimates are indicative of a potential bias and tested significant transactions that are unusual or those outside the normal course of business.

Because of the inherent limitations of an audit, there is a risk that we will not detect all irregularities, including those leading to a material misstatement in the financial statements or non-compliance with regulation. This risk increases the more that compliance with a law or regulation is removed from the events and transactions reflected in the financial statements, as we will be less likely to become aware of instances of non-compliance. The risk is also greater regarding irregularities occurring due to fraud rather than error, as fraud involves intentional concealment, forgery, collusion, omission or misrepresentation.

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

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 November 2022

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 2022

	Note	Unrestricted £	Restricted £	2022 Total £	Unrestricted £	Restricted £	2021 Total £
Income from:							
Donations and legacies	2	18,103	–	18,103	39,208	–	39,208
Charitable activities							
Employment Support Programme	3	173,942	–	173,942	112,396	(67,340)	45,056
Adults Research	3	233,355	206,065	439,420	144,563	84,500	229,063
Children and Young People	3	210,931	257,399	468,330	258,160	130,409	388,569
Economics	3	116,385	–	116,385	54,671	–	54,671
Influencing Policy and Practice	3	196,902	6,500	203,402	187,404	30,600	218,004
Other Programmes	3	2,511	–	2,511	38,610	–	38,610
Investments – Interest receivable		112	–	112	527	–	527
Total income		952,241	469,964	1,422,205	835,539	178,169	1,013,708
Expenditure on:							
Raising funds	4	161,791	–	161,791	167,007	–	167,007
Charitable activities							
Employment Support Programme	4	211,463	–	211,463	181,951	–	181,951
Adults Research	4	134,181	76,452	210,633	127,471	90,617	218,088
Children and Young People	4	56,520	285,362	341,882	236,862	95,176	332,038
Economics	4	126,250	–	126,250	119,148	–	119,148
Influencing Policy and Practice	4	251,018	2,863	253,881	199,424	56,938	256,362
Other programmes	4	–	–	–	23,142	–	23,142
Total expenditure		941,223	364,677	1,305,900	1,055,005	242,731	1,297,736
Net income / (expenditure) before transfers between funds	5	11,018	105,287	116,305	(219,466)	(64,562)	(284,028)
Transfers between funds		–	–	–	–	–	–
Net movement in funds		11,018	105,287	116,305	(219,466)	(64,562)	(284,028)
Reconciliation of funds:							
Total funds brought forward		770,802	110,097	880,899	990,268	174,659	1,164,927
Total funds carried forward		781,820	215,384	997,204	770,802	110,097	880,899

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.

As at 5 April 2022

	Note	The group		The charity	
		2022	2021	2022	2021
		£	£	£	£
Fixed assets:					
Investments	10	-	-	1,000	1,000
		-	-	1,000	1,000
Current assets:					
Debtors	13	403,569	187,926	347,582	183,785
Cash at bank and in hand		948,642	1,156,763	694,192	937,500
		1,352,211	1,344,689	1,041,774	1,121,285
Liabilities:					
Creditors: amounts falling due within one year	14	355,007	463,790	156,796	228,444
Net current assets		997,204	880,899	884,978	892,841
Total assets less current liabilities		997,204	880,899	885,978	893,841
Creditors: amounts falling due after one year	16	-	-	-	-
Total net assets	18	997,204	880,899	885,978	893,841
Funds:	19				
Restricted income funds		215,384	110,097	215,384	110,097
Unrestricted income funds:					
Designated funds		-	-	-	12,942
General funds		781,820	770,802	670,594	770,802
Total unrestricted funds		781,820	770,802	670,594	783,744
Total funds		997,204	880,899	885,978	893,841

Approved by the trustees on 28 July 2022 and signed on their behalf by


Professor Dame Susan Bailey
Chairman

Consolidated statement of cash flows

For the year ended 5 April 2022

	2022 £	2021 £
Cash flows from operating activities		
Net cash (used in) / provided by operating activities	(208,233)	(118,146)
Cash flows from investing activities:		
Dividends, interest and rents from investments	112	527
Change in cash and cash equivalents in the year	(208,121)	(117,619)
Cash and cash equivalents at the beginning of the year	1,156,763	1,274,382
Cash and cash equivalents at the end of the year	948,642	1,156,763
Reconciliation of net income / (expenditure) to net cash flow from operating activities		
	2022 £	2021 £
Net expenditure for the reporting period (as per the statement of financial activities)	116,305	(284,028)
Dividends, interest and rent from investments	(112)	(527)
Decrease in debtors	(215,643)	60,723
Increase in creditors	(108,783)	105,686
Net cash provided (used in) operating activities	(208,233)	(118,146)

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) – (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.

In order to arrive at this conclusion, the management and trustees have considered the financial and operating outlook of the charitable company using different levels of uncertainty over significant levels of unsecured income. Based on this assessment they have concluded that even in a worst-case scenario, with appropriate management actions identified should they be needed, the ability of the charitable company to continue operating will not be impacted during the year ahead.

The management and trustees will continue to review cash flow projections on a regular basis during this period and will implement appropriate actions, should they be needed, if cash flow balances were to fall below agreed trigger points.

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.

1 Accounting policies (continued)

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.

f) Donations of gifts, services and facilities

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

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

g) Interest receivable

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

h) Fund accounting

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

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

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

i) Expenditure and irrecoverable VAT

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

Expenditure is classified under the following activity headings:

- Costs of raising funds relate to the costs incurred by the charitable company in inducing third parties to make voluntary contributions to it, as well as the cost of any activities with a fundraising purpose
- Expenditure on charitable activities includes the costs of carrying out research, collating and communicating the findings, being work undertaken to further the purposes of the charity and their associated support costs
- Other expenditure represents those items not falling into any other heading

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

1 Accounting policies (continued)

j) Allocation of support costs

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

Where 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	15%
● Adults Research incl. Prisons and Criminal Justice	18%
● Children and Young People	23%
● Economics	11%
● Influencing policy and practice	19%
● Costs of raising funds	14%

k) Operating leases

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

l) Investments in subsidiary

Investments in the subsidiary are at cost.

m) 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.

n) Cash at bank and in hand

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

o) Creditors and provisions

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

p) Pensions

The charity participated 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. Only three employees were active members of the schemes during the year (2 for the USS scheme and 1 for the NHS scheme), and all other employees were eligible to join the company's stakeholder pension scheme. The charity has withdrawn from USS pension scheme with effect from 31 May 2021 and all the full arising liability was fully paid by our guarantor, The Gatsby Foundation Trust. The only participating member in NHS scheme retired on 30 September 2021. The charity's staging date for pensions auto-enrolment was 1 April 2016, and any relevant staff not previously participating in a pension scheme were auto-enrolled at that date.

2 Income from donations and legacies

	Unrestricted £	Restricted £	2022 Total £	Unrestricted £	Restricted £	2021 Total £
Donations	18,103	–	18,103	39,208	–	39,208
	<u>18,103</u>	<u>–</u>	<u>18,103</u>	<u>39,208</u>	<u>–</u>	<u>39,208</u>

3 Income from charitable activities

	Unrestricted £	Restricted £	2022 Total £	Unrestricted £	Restricted £	2021 Total £
City Bridge Trust	–	–	–	–	(67,340)	(67,340)
IPS training income	173,942	–	173,942	90,505	–	90,505
Other income – Employment Support Programme	–	–	–	21,891	–	21,891
Sub-total for Employment Support Programme	173,942	–	173,942	112,396	(67,340)	45,056
St. Giles Trust	–	56,466	56,466	–	48,000	48,000
Mental Health UK	–	–	–	–	36,500	36,500
NHS England	73,509	–	73,509	85,989	–	85,989
MIND Haringey	7,588	–	7,588	7,588	–	7,588
Comic Relief	–	–	–	34,904	–	34,904
MHFA	–	–	–	11,857	–	11,857
Charities Aid Foundation	–	149,599	149,599	–	–	–
DHSC	53,450	–	53,450	–	–	–
The Mayor's Office of Policing	38,525	–	38,525	–	–	–
Greater London Authority	13,233	–	13,233	–	–	–
NHS Cambridgeshire and Peter	44,300	–	44,300	–	–	–
Rethink Mental Health	–	–	–	2,875	–	2,875
Other income	2,750	–	2,750	1,350	–	1,350
Sub-total for Adults	233,355	206,065	439,420	144,563	84,500	229,063

3 Income from charitable activities (continued)

University of Oxford	2,100	–	2,100	2,100	–	2,100
CYPMHC– various founders	–	120,563	120,563	–	74,534	74,534
Big Lottery Found	–	33,234	33,234	–	54,575	54,575
BBC Children in Needs	30,776	–	30,776	43,451	–	43,451
Bradford Districts CCG	–	–	–	7,500	–	7,500
University of Glasgow	–	4,500	4,500	–	1,300	1,300
Emerging Minds	2,250	–	2,250	3,750	–	3,750
The Independent Monitoring Board	–	–	–	3,900	–	3,900
Comic Relief	–	–	–	9,037	–	9,037
LGA Improvement & Development Agency	–	–	–	12,750	–	12,750
The Youth Endowment Fund	–	–	–	31,910	–	31,910
NHS England	110,159	–	110,159	98,412	–	98,412
The Prudence Trust	–	–	–	6,700	–	6,700
Medical Research Council	–	7,325	7,325	–	–	–
Centre 33	11,792	–	11,792	11,792	–	11,792
PPL & Comic Relief	–	91,777	91,777	–	–	–
MIND	12,445	–	12,445	11,200	–	11,200
NIHR	8,975	–	8,975	–	–	–
SKSST	14,000	–	14,000	–	–	–
Student Minds	16,626	–	16,626	15,325	–	15,325
Other income – Children and Young People	1,808	–	1,808	333	–	333
Sub-total for Children and Young People	210,931	257,399	468,330	258,160	130,409	388,569

3 Income from charitable activities (continued)

	Unrestricted	Restricted	2022 Total	Unrestricted	Restricted	2021 Total
Lankelly Chase	–	–	–	–	20,600	20,600
NHS Trafford CCG	35,416	–	35,416	–	–	–
British Embassy Bangkok	–	–	–	9,750	–	9,750
Maudsley Charity	–	–	–	–	10,000	10,000
National Voices	6,000	–	6,000	28,998	–	28,998
Forces in Mind Trust	17,348	–	17,348	–	–	–
NHS Confederation	–	–	–	24,168	–	24,168
WMCA	3,812	–	3,812	–	–	–
Hertfordshire County Council	–	–	–	4,650	–	4,650
MIND	3,000	–	3,000	–	–	–
MMHA	–	–	–	2,800	–	2,800
NHIR	14,183	1,500	15,683	–	–	–
Royal College of Nursing	–	–	–	1,000	–	1,000
UCL	6,500	–	6,500	4,500	–	4,500
Health Education England	10,000	–	10,000	10,229	–	10,229
Greater London Authority	–	–	–	6,617	–	6,617
Various	27,616	5,000	32,616	13,868	–	13,868
LGA Improvement &	18,202	–	18,202	12,750	–	12,750
MMHA	8,750	–	8,750	–	–	–
NHS England	–	–	–	61,524	–	61,524
BACP	19,775	–	19,775	–	–	–
Surrey County Council	16,300	–	16,300	4,050	–	4,050
Surrey & Border Partnership	10,000	–	10,000	–	–	–
Royal College of Psychiatrists	–	–	–	2,500	–	2,500
Sub-total for Influencing policy and practice	196,902	6,500	203,402	187,404	30,600	218,004
NHS Confederation	77,185	–	77,185	35,850	–	35,850
MMHA	11,100	–	11,100	–	–	–
Coventry University	9,950	–	9,950	–	–	–
NHS England	–	–	–	3,500	–	3,500
Pennine NHS FT	–	–	–	5,521	–	5,521
Zurich Community Trust	18,150	–	18,150	9,800	–	9,800
Sub-total for Economics	116,385	–	116,385	54,671	–	54,671
Forces in Mind Trust	–	–	–	23,940	–	23,940
Gov.uk	2,511	–	2,511	6,287	–	6,287
Other income	–	–	–	8,383	–	8,383
Sub-total for Other	2,511	–	2,511	38,610	–	38,610
Total income from charitable	934,026	469,964	1,403,990	795,804	178,169	973,973

4a

	Charitable activities							Support and governance costs £	2022 Total £	2021 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)	125,347	129,028	162,189	203,896	98,045	169,321	–	128,294	1,016,120	992,856
Direct project costs	2,314	46,234	3,640	76,946	1,925	35,549	–	11,090	177,698	200,950
Travel and subsistence	187	163	–	1,196	–	248	–	811	2,605	–
Printing, postage and stationery	–	58	–	41	–	–	–	1,793	1,892	1,954
IT costs	177	–	1,799	4,051	–	1,844	–	24,755	32,626	30,324
Communication and events	–	–	–	–	–	–	–	300	300	–
Establishment costs	317	142	–	801	–	1,525	–	60,462	63,247	60,739
Legal, finance and other	–	–	–	–	–	–	–	13	13	13
Audit	–	–	–	–	–	–	–	11,400	11,400	10,900
	128,342	175,625	167,628	286,931	99,970	208,487	–	238,918	1,305,901	1,297,736
Support and governance costs	33,449	35,838	43,005	54,951	26,280	45,394	–	(238,918)	–	–
Total expenditure 2022	161,791	211,463	210,633	341,882	126,250	253,881	–	–	1,305,901	
Total expenditure 2021	167,007	181,951	218,088	332,038	119,148	256,362	23,142	–	1,297,736	

Of the total expenditure £941,223 was unrestricted (2021: £1,055,005) and £364,677 was restricted (2021: £242,731).

4b

	Charitable activities								2021 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)	127,628	124,004	150,339	159,995	92,239	179,670	15,729	143,252	992,856
Direct project costs	1,890	21,672	22,662	121,820	530	25,913	2,617	3,846	200,950
Travel and subsistence	–	–	–	–	–	–	–	–	–
Printing, postage and stationery	–	–	32	51	–	33	–	1,838	1,954
IT costs	835	–	1,297	2,935	–	1,707	–	23,550	30,324
Communication and events	–	–	–	–	–	–	–	–	–
Establishment costs	682	303	592	1,673	–	1,078	–	56,411	60,739
Legal, finance and other	–	–	–	–	–	–	–	13	13
Audit	–	–	–	–	–	–	–	10,900	10,900
	131,035	145,979	174,922	286,474	92,769	208,401	18,346	239,810	1,297,736
Support and governance costs	35,972	35,972	43,166	45,564	26,379	47,961	4,796	(239,810)	–
Total expenditure 2021	167,007	181,951	218,088	332,038	119,148	256,362	23,142	–	1,297,736

5 Net income/(expenditure) for the year

This is stated after charging:

	2022 £	2021 £
Operating lease rentals:		
Other	1,205	1,607
Auditors' remuneration (excluding VAT):		
Audit	11,400	10,900
	<u>11,400</u>	<u>10,900</u>

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

Staff costs were as follows:

	2022 £	2021 £
Salaries and wages	881,455	812,223
Social security costs	92,850	85,640
Employer's contribution to defined contribution pension schemes	10,195	43,027
Operating costs of defined benefit pension schemes	31,620	51,966
	<u>1,016,120</u>	<u>992,856</u>

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

	2022 No.	2021 No.
£60,000 – £69,999	1	2
£70,000 – £79,999	1	–
£80,000 – £89,999	1	1
£90,000 – £99,999	–	1
	<u>–</u>	<u>1</u>

The total employee benefits (including pension contributions and employer's national insurance) of the key management personnel were £350,525 (2021: £366,791).

The charity trustees were not paid or received any other benefits from employment with the charity in the year (2021: £nil). No charity trustee received payment for professional or other services supplied to the charity (2021: £nil). No trustees' expenses were reimbursed during the financial year (2021: £nil).

7 Staff numbers

The average number of employees (head count based on number of staff employed) during the year was as follows:
24.3 (2021: 20.9)

	2022 No.	2021 No.
Raising funds	2.0	2.0
Employment Support Programme	3.0	2.0
Adults research	2.6	2.2
Children and Young People	4.6	3.7
Influencing Policy and Practice	5.7	4.0
Economics	2.0	2.0
Support	3.4	4.0
Governance	1.0	1.0
	24.3	20.9

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:

	2022 £	2021 £
UK corporation tax at 19% (2021: 19%)	–	–

10 Investments

Investments comprise:

	The group 2022 £	2021 £	The charity 2022 £	2021 £
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:

	2022	2021
	£	£
Turnover	609,208	391,985
Cost of sales	(485,064)	(405,047)
Gross profit	124,144	(13,062)
Administrative expenses	–	–
Other operating income	–	–
Operating profit / (loss)	124,144	(13,062)
Interest receivable	27	116
Profit / (loss) on ordinary activities	124,171	(12,946)
Donation under gift aid to parent undertaking	–	(49,547)
Profit / (loss) for the financial year	124,171	(62,493)
The aggregate of the assets, liabilities and funds was:		
Assets	404,310	337,924
Liabilities	(292,085)	(349,871)
Funds	112,225	(11,947)

12 Parent charity

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

	2022	2021
	£	£
Gross income	1,182,705	965,098
Result for the year	(7,866)	(221,535)

13 Debtors

	The group		The charity	
	2022	2021	2022	2021
	£	£	£	£
Fees and charges	324,062	166,829	175,108	48,474
Other debtors	64,609	14,530	64,609	14,530
Prepayments	14,898	6,567	13,991	6,261
Inter-company debtor	–	–	93,874	114,520
	403,569	187,926	347,582	183,785

Notes to the financial statements

For the year ended 5 April 2022

14 Creditors: amounts falling due within one year

	The group		The charity	
	2022	2021	2022	2021
	£	£	£	£
Trade creditors	24,845	59,067	10,284	52,367
Taxation and social security	27,029	29,729	27,029	29,729
VAT creditor	103,399	87,932	59,996	51,985
Accruals	26,223	37,096	24,523	32,096
Deferred income	173,511	249,966	34,964	62,267
	355,007	463,790	156,796	228,444

15 Deferred income

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

	The group		The charity	
	2022	2021	2022	2021
	£	£	£	£
Balance at the beginning of the year	249,970	109,762	62,266	34,783
Amount released to income in the year	(315,585)	(202,151)	(62,266)	(43,683)
Amount deferred in the year	239,133	342,359	34,963	71,166
Balance at the end of the year	173,518	249,970	34,963	62,266

16 Creditors: amounts falling due after one year

	The group		The charity	
	2022	2021	2022	2021
	£	£	£	£
Accruals – pension obligations	–	–	–	–
	–	–	–	–

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 £78,190 (2020/21 £51,966).

NHS Pension Scheme

One employee remained a member of the NHS Pension Scheme during period April 2021 to September 2021 and retired on 30th September 2021.

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. 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 £4,478 (2020/21: £8,726) 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.

A valuation of scheme liability is carried out annually by the scheme actuary (currently the Government Actuary's Department) as at the end of the reporting period. This utilises an actuarial assessment for the previous accounting period in conjunction with updated membership and financial data for the current reporting period, and is accepted as providing suitably robust figures for financial reporting purposes. The valuation of the scheme liability as at 31 March 2021, is based on valuation data as 31 March 2020, updated to 31 March 2021 with summary global member and accounting data. In undertaking this actuarial assessment, the methodology prescribed in IAS 19, relevant FReM interpretations, and the discount rate prescribed by HM Treasury have also been used.

The latest assessment of the liabilities of the scheme is contained in the report of the scheme actuary, which forms part of the annual NHS Pension Scheme Accounts. These accounts can be viewed on the NHS Pensions website and are published annually. Copies can also be obtained from The Stationery Office.

The purpose of this valuation is to assess the level of liability in respect of the benefits due under the schemes (taking into account recent demographic experience), and to recommend contribution rates payable by employees and employers.

The latest actuarial valuation undertaken for the NHS Pension Scheme was completed as at 31 March 2016. The results of this valuation set the employer contribution rate payable from April 2019 to 20.6% of pensionable pay. The 2016 funding valuation was also expected to test the cost of the Scheme relative to the employer cost cap that was set following the 2012 valuation. In January 2019, the Government announced a pause to the cost control element of the 2016 valuations, due to the uncertainty around member benefits caused by the discrimination ruling relating to the McCloud case.

The Government subsequently announced in July 2020 that the pause had been lifted, and so the cost control element of the 2016 valuations could be completed. The Government has set out that the costs of remedy of the discrimination will be included in this process. HMT valuation directions will set out the technical detail of how the costs of remedy will be included in the valuation process. The Government has also confirmed that the Government Actuary is reviewing the cost control mechanism (as was originally announced in 2018). The review will assess whether the cost control mechanism is working in line with original government objectives and reported to Government in April 2021. The findings of this review will not impact the 2016 valuations, with the aim for any changes to the cost cap mechanism to be made in time for the completion of the 2020 actuarial valuations.

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.

*** Update on prior year post balance sheet event**

In November 2015 Centre for Mental Health's trustees commissioned Cartwrights, a firm of actuarial advisers, to update advice regarding Section 75 debt which would be triggered at a future date when there are no more active scheme members. Since July 2018, Centre for Mental Health's trustees have been in discussions with USS pension and our guarantor Gatsby Charitable Foundation to withdraw the Centre from the scheme. Formal letter requesting approval to exit the scheme has been submitted to USS trustees for their decision at May 2021 board meeting, which was approved. The Centre has written to USS Trustees to exit the scheme with 31 May 2021 effectively triggering section 75 debt. GATSBY Charitable Foundation as our guarantor has agreed to pay the liability directly to the USS on behalf of Centre for Mental Health on the receipt of the final invoice issued by USS. The liability paid by the Gatsby included provision for a liability of £46,570 which existed in our prior year accounts and was settled by the contingent assets in this accounting period.

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

	General unrestricted £	Designated funds £	Restricted funds £	Total funds £
Net current assets	781,820	–	215,384	997,204
Long term liabilities	–	–	–	–
Net assets at the end of the year	781,820	–	215,384	997,204

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

	General unrestricted £	Designated funds £	Restricted funds £	Total funds £
Net current assets	770,802	–	110,097	880,899
Long term liabilities	–	–	–	–
Net assets at the end of the year	770,802	–	110,097	880,899

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:					
Adults Research incl. Prisons and Criminal Justice					
St. Giles Trust evaluation	–	56,466	(56,466)	–	–
Creating a mentally healthy society	–	149,599	(19,986)	–	129,613
Children and Young People					
ATTUNE project	–	7,325	(7,325)	–	–
Shifting the Dial	43,613	33,234	(77,846)	–	(999)
Culturally sensitive approaches to MH education (CESAME)	–	4,500	(4,500)	–	–
Changemakers project	–	91,777	(91,777)	–	–
CYPMHC	65,584	120,563	(103,914)	–	82,233
Influencing Policy and Practice					
BDP Awareness Project	–	5,000	(463)	–	4,537
COPAT project	–	1,500	(1,500)	–	–
MHRG –Maudsley Charity's Grant	900	–	(900)	–	–
Total restricted funds	110,097	469,964	(364,677)	–	215,384
Unrestricted funds:					
General funds	770,802	952,241	(941,223)	–	781,820
Total unrestricted funds	770,802	952,241	(941,223)	–	781,820
Total funds	880,899	1,422,205	(1,305,900)	–	997,204

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					
City Bridge Trust	67,340	(67,340)	–	–	–
Adults Research incl. Prisons and Criminal Justice					
St. Giles Trust evaluation	6,117	48,000	(54,117)	–	–
Evaluation of Clic	–	36,500	(36,500)	–	–
Children and Young People					
Shifting the Dial	6,262	54,575	(17,224)	–	43,613
Culturally sensitive approaches to MH education (CESAME)	–	1,300	(1,300)	–	–
CYPMHC	67,702	74,534	(76,652)	–	65,584
Influencing Policy and Practice					
Elliot Simmons CT	1,744	–	(1,744)	–	–
Crisis Care Commission	25,494	–	(25,494)	–	–
MHRG –Maudsley Charity's Grant	–	10,000	(9,100)	–	900
Synergi– advice and support around policy work (Lankelly Chase)	–	20,600	(20,600)	–	–
Total restricted funds	174,659	178,169	(242,731)	–	110,097
Unrestricted funds:					
Designated funds:					
Core funding reserve	390,268	–	–	(390,268)	–
Total designated funds	390,268	–	–	(390,268)	–
General funds	600,000	835,539	(1,055,005)	390,268	770,802
Total unrestricted funds	990,268	835,539	(1,055,005)	–	770,802
Total funds	1,164,927	1,013,708	(1,297,736)	–	880,899

19 Purposes of restricted funds

Influencing Policy and Practice

BDP Awareness Project (Tale of Three Cities Goes Global 2022) – This is a collaboration between Centre for Mental Health, the Anna Freud Centre, 42nd Street, and Forward Thinking Birmingham to put on a series of events in the month of May 2022 around bipolar personality disorder. This has been funded by steering group members, such as MIND, and from the Cassel Hospitable Charitable Trust and Arnold Clarke to cover direct costs for the series of events. It will culminate in a celebration at Manchester Cathedral where young people with lived experience will gather to share their experiences.

Experience based investigation and co-design approaches to prevent and reduce Mental Health Act use' (**COPACT**) is a project funded by the National Institute for Health and Care Research (NIHR) and lead by University of Oxford. This project will run until March 2023 and the Centre will lead the patient and public involvement element of work and will engage with service users and advise on the design and delivery of the project.

The Mental Health Research Group (**MHRG**) – founded by the Centre and The Royal Foundation, was picked up by Maudsley Charity for phase 1 funding. This entailed forming a working group of prominent names and organisations within mental health research with the aim of influencing change in mental health research, this culminated in a paper with recommendations.

Children and Young People funding

Understanding mechanisms and mental health impacts of Adverse Childhood Experiences to co-design preventive arts and digital interventions' (**ATTUNE**) is a project funded by the Medical Research Council (MRC) and lead by University of Oxford. The project will run until August 2025 and the Centre's Associate Director for Children and Young People's Mental Health is a Co-Investigator on the project. The Centre will also be facilitating the Young People Advisory Group alongside Young People Cornwall.

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.

CESAME: Culturally Engaged and Sensitive Approaches to Mental health Education

The project is a collaboration between Glasgow School of Art, De Montford University and the Centre, funding by UKRI's Emerging Minds network. The aim is to develop an approach that schools can use to promote good mental health that is tailored, culturally sensitive and inclusive.

Young Changemakers – this project is a collaboration between UK Youth, Centre for Mental Health, and The Diana Award and is funded by The People's Postcode Lottery and Comic Relief. The project will equip young people with the tools to produce youth-led social action projects aimed at tackling mental health inequalities in racialised communities. The Centre are responsible for evaluating the programme as well as providing policy influencing opportunities for the cohorts of young people. This will culminate in annual reports.

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.

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.

Creating mentally healthy society CAF – Alliance-building to create a mentally health society is funded by the Charities Aid Foundation (CAF) and lead by Rethink Mental Illness. The project aims to build and mobilise a coalition of the willing to facilitate good mental health and resilience in all areas of society, in particular four new alliance areas. The Centre will evaluate this project over two years which will culminate in a final report.

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 2022 £	2021 £	Equipment 2022 £	2021 £
Less than one year	25,584	–	–	938
One to five years	38,376	–	–	–
	<hr/>	<hr/>	<hr/>	<hr/>
	63,960	–	–	938
	<hr/>	<hr/>	<hr/>	<hr/>

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.