



MENTAL DISABILITY ADVOCACY CENTRE

Company number: 06240151

Registered charity no: 1124016

Annual Report and Financial Statements for the year ended 31 December 2020

Annual Report of the Trustees

The Mental Disability Advocacy Centre (MDAC) is a UK charity that raises funds to support the charitable activities of the Validity Foundation, a charitable foundation headquartered in Budapest, Hungary. The Validity Foundation is an international non-governmental human rights organisation that uses legal strategies to promote, protect and defend the human rights of people with mental disabilities worldwide. In addition to raising funds to support Validity's activities, MDAC has an active Board of Trustees which provides the Hungarian Foundation with support on strategic, legal, financial and communications matters.

Objectives and Activities

The Validity mission, fully adopted by the MDAC Board, is to:

- Act on the instructions of people with mental disabilities;
- Serve as a watchdog, monitoring governments, exposing abuses and advocating for change; and
- Contribute to the broader disability rights movement by offering its legal expertise.

Validity achieves its mission by running three co-ordinated international campaigns which seek to:

- Tackle institutionalisation and promote inclusion – “My Home, My Choice”
- Challenge guardianship and promote support – “I’m a Person”; and
- Fight segregated education in favour of inclusive education – “Schools for All”

Drawing on our legal expertise, we also recognise the critical importance of defending core tenets of the rule of law which have fundamental significance for our clients. We have adopted three cross-cutting initiatives which intersect with the three campaigns above and which provide us scope to build strong, cross-disciplinary and cross-movement momentum:

- Addressing multiple and intersectional discrimination
- Promoting access to justice, and
- Ending torture and ill-treatment.

Achievements and Performance

While January 2020 saw the beginning of Validity's new strategic framework period (2020-2025), the year was overwhelmingly characterised by the necessity of pivoting to respond to the COVID-19 pandemic. With the outbreak rapidly spreading around the world, by mid-March we took the difficult decision of moving to an almost entirely remote-working format for the next six months, while simultaneously planning and leading the single largest worldwide human rights monitoring initiative to assess the impact of the pandemic and related state measures on persons with disabilities.

Validity took a leadership position globally by bringing together a diverse set of disability rights organisations to successfully implement the COVID-19 Disability Rights Monitor ('COVID-DRM') initiative. The project, which received well over 2,000 responses from around the world across 23 languages, and which was executed entirely within current resources, shone a light on the lack of disability-inclusive responses to the pandemic on the part of both states and international organisations. Our collective advocacy bore fruit in terms of significantly increasing awareness of the

disproportionate effects of lockdown measures, harsh policing tactics, the breakdown in provision of essential community-based services, and the shocking situation inside residential facilities worldwide, which are now recognised as having been hotbeds of contagion. Towards the end of 2020, signs were emerging that our advocacy was beginning to produce tangible results, with the UN Committee on the Rights of Persons with Disabilities formally launching a Working Group on deinstitutionalisation, including in emergency contexts, and with debates beginning to take place at the European Union and Council of Europe on the situation of people with disabilities in institutions.

During 2020, Validity has shown it has the capacity to quickly respond to the humanitarian consequences of the pandemic. In doing so, we were able to take the lead in forming a wide coalition of leading organisations – many of whom do not regularly collaborate – and provide substantive human rights grounding to guide collective actions. In part, these achievements were possible through the flexibility provided by its major institutional donors. Yet, we have also seen major shifts in donor policy during the year, as many actors have substantially pivoted their focus away from advocacy, strategic litigation, and human rights monitoring, in favour of humanitarian responses to the pandemic. While this shift is perhaps understandable, our initiatives this year have shown the vital importance of adopting a human rights-based and inclusive approach to tackling existential threats. Without this, we run the risk of leaving behind many of the most marginalised constituencies – persons with disabilities generally, and persons with intellectual and psychosocial disabilities more specifically – the latter groups having suffered the brunt of restrictive measures which have cost them their lives and liberty.

Plans for Future Periods

Validity is now in the process of evaluating our actions during 2020, building on these activities to promote more sustainable outcomes for those we seek to serve. The pandemic continues to have a profound impact for our target populations, but the emergency has also given rise to new opportunities. Tackling the horrors of institutionalisation will remain a focus in 2021, and alongside this we have been working up a methodology to investigate and enhance accountability for disability rights guarantees within international development aid. Building on the successes of our coalition work during 2020, we will also place increased resources into catalysing collective action around our core human rights goals as the world seeks to 'build back better'.

During 2021, Validity also expects to move forward with its plans to register a new charitable entity in the Netherlands, which was not completed in 2020 due to the urgency of responding to the pandemic. The objective is to maintain Budapest as the centre of operations, with the Netherlands acting as a back-up plan in the event of changes in the Hungarian operating environment. MDAC will continue to operate in the UK to raise funds in support of Validity's overall mission.

Financial Review and Reserves Policy

MDAC's primary purpose is to support the charitable activities of the Validity Foundation in Hungary. During the year, MDAC raised almost £56,000 of unrestricted donations in support of this objective. It also supported the Validity Foundation by receiving a grant from the Validity Foundation of £425,038 to protect the Validity Foundation's funds during a period of unprecedented political upheaval in Hungary caused by the pandemic. The associated income and expenditure were treated as restricted funds in accordance with the terms of the grant agreement between the Validity Foundation and MDAC. During the period, £268,146 of this total was either paid back to the Validity Foundation or

otherwise spent in support of MDAC and Validity's shared charitable objectives. At the period end, the remaining £156,892 remained payable to Validity Foundation under the terms of the grant agreement.

At the year-end, MDAC's reserves totalled £78,687, all of which were unrestricted and held as cash in the charity's current account. The Trustees have considered this level of reserves and consider that it remains appropriate in the current operating environment.

Structure, Governance and Management

Validity continues to be comprised of two legal entities: the Hungarian Foundation which remains the centre of all operations and staffing, and MDAC, the primary purpose of which is to raise funds to support the charitable activities of the Hungarian Foundation. Both legal entities have boards of Trustees fulfilling the legal and regulatory requirements of each jurisdiction. Three board members (Phillippa Kaufmann QC, Peter Chivers, and Victoria MacDonald) sit on both boards.

During the year, the UK Board appointed Lamin Khadar as its newest member. As a qualified lawyer (England and Wales), Lamin brings valuable experience of the fields of international and European human rights law. Based in the Netherlands, he is the Pro Bono and Diversity Manager for Dentons Europe, working across 23 locations in Europe and Central Asia to manage Dentons' international pro bono practice and diversity and inclusion commitment. Lamin is also a Global Adjunct Professor of Law at New York University in Paris where he teaches European Public Interest Law.

In December 2020, Phillippa Kauffman stood down as Chair of the UK Board after a successful five-year term. In her place, the Board appointed Victoria Macdonald, who has sat on the UK Board since 2016, to Chair the Board through the next period of Validity's growth and development. The Chair continues to be supported by Peter Chivers, who has been Vice Chair since 2015.

Regular board meetings of the two entities take place consecutively on the same day with members of both boards present throughout, although only members can only vote on resolutions concerning the entity to which they are legally appointed. Board members of both entities provide strong support to Validity's growing staff team. MDAC itself employs no staff, although its Board is supported by the co-Executive Directors of the Hungarian Foundation, Ann Campbell and Steven Allen.

Public Benefit

The Trustees have complied with the duty in section 17 of the Charities Act 2011 to have due regard to the Charity Commission's general guidance on public benefit. The Trustees consider that MDAC's support for the Validity Foundation, which uses legal strategies to advocate for and promote the rights of people with mental disabilities, means that the charity's activity supports (1) the advancement of human rights and (2) the relief of those in need by reason of disability, both of which are 'public benefits' as defined in the Act.

Reference and Administrative Information

Company registration number	06240151
Charity registration number	1124016
Registered office address	63/66 Hatton Garden Fifth Floor Suite 23 London EC1N 8LE
Board of Trustees	Phillippa Kaufmann QC (Chair until 1 December 2020) Victoria Macdonald (Chair from 2 December 2020) Peter Chivers (Vice-Chair) Jean Barclay (Company Secretary) Mike Bienenfeld Daniel Bird (Treasurer) Anthony Busser George Julian Lamin Khadar (Appointed 7 September 2020) Edwin Rekosh
Bankers	Co Op Bank PLC PO Box 101 1 Balloon Street Manchester M60 4EP

Independent Examiner's report on the accounts to the Trustees of the Mental Disability Advocacy Centre

Responsibilities and basis of report

I report to the Trustees on my examination of the accounts of the Mental Disability Advocacy Centre ("the charity") for the year ended 31 December 2020.

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

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

Basis of independent examiner's statement

My examination was carried out in accordance with general Directions given by the Charity Commission. An examination includes a review of the accounting records kept by the charity and a comparison of the accounts presented with those records. It also includes consideration of any unusual items or disclosures in the accounts and seeking explanations from the trustees concerning any such matters. The procedures undertaken do not provide all the evidence that would be required in an audit, and consequently no opinion is given as to whether the accounts present a 'true and fair' view and the report is limited to those matters set out in the statement below.

Independent examiner's statement

I have completed my examination. I confirm that no material matters have come to my attention in connection with the examination which give me cause to believe that in, any material respect:

- the accounting records were not kept in accordance with section 130 of the Charities Act; or
- the accounts did not accord with the accounting records; or
- the accounts did not comply with the applicable requirements concerning the form and content of accounts set out in the Charities (Accounts and Reports) Regulations 2008 other than any requirement that the accounts give a 'true and fair' view which is not a matter considered as part of an independent examination.

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

Signed:



Date:

17 September 2021

Kim Christina Knight, ACMA

Address: Apt 105 New Hampton Lofts, 99 Branstons Street, Birmingham, B18 6BG

**Mental Disability Advocacy Centre
Statement of Financial Activities
incorporating Income and Expenditure Account
for the year ended 31 December 2020**

	Note	Restricted Funds £	Unrestricted Funds £	Total 2020 £	Total 2019 £
Income from:					
- Donations and legacies		425,038	55,906	480,944	25,232
Total income		<u>425,038</u>	<u>55,906</u>	<u>480,944</u>	<u>25,232</u>
Expenditure on:					
- Raising funds		-	(162)	(162)	(216)
- Charitable activities	2	(425,038)	(393)	(425,431)	(13,099)
Total expenditure		<u>(425,038)</u>	<u>(555)</u>	<u>(425,593)</u>	<u>(13,315)</u>
Net income	3	<u>-</u>	<u>55,351</u>	<u>55,351</u>	<u>11,917</u>
Net movement in funds for the year		<u>-</u>	<u>55,351</u>	<u>55,351</u>	<u>11,917</u>
Reconciliation of funds	8				
Funds brought forward 1 January		-	23,336	23,336	11,419
Funds carried forward 31 December		<u>-</u>	<u>78,687</u>	<u>78,687</u>	<u>23,336</u>

The statement of financial activities includes all gains and losses recognised in the year. All income and expenditure derive from continuing activities.

The notes on pages 8 to 10 form part of these financial statements.

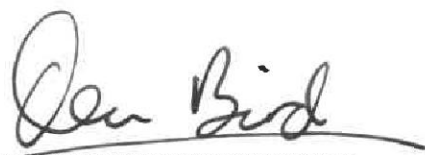
**Mental Disability Advocacy Centre
Balance Sheet as at 31 December 2020**

	Note	2020 £	2019 £
Fixed assets		-	-
Total fixed assets		-	-
Current assets			
Debtors, prepayments and accrued income	5	-	250
Cash at bank and in hand	6	235,579	24,086
Total current assets		235,579	23,336
Liabilities			
Creditors falling due within one year	7	(156,892)	-
Net assets		78,687	23,336
Funds of the charity	8		
Restricted funds		-	-
Unrestricted income funds		78,687	23,336
Total charity funds		78,687	23,336

For the period ended 31 December 2020, the Company was entitled to exemption from audit under section 477 of the Companies Act 2006 relating to small companies. The member has not required the Company to obtain an audit of its accounts for the period in question in accordance with section 476.

The Directors acknowledge their responsibilities for complying with the requirements of the Act with respect to accounting records and the preparation of accounts. The accounts have been prepared in accordance with the provisions applicable to companies subject to the small companies' regime.

The Financial Statements on pages 6 to 10 were approved by the Board of Directors on 7 Sept 2021 and signed on its behalf by:



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Daniel Bird
Trustee and Treasurer
Registered Company No: 06240151

**Mental Disability Advocacy Centre
Notes to the Financial Statements
for the year ended 31 December 2020**

1. Accounting Policies

1.1. 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)*, the Charities Act 2011 and UK Generally Accepted Accounting Practice. The charity meets the definition of a 'public benefit entity' under FRS 102. The financial statements are prepared under the historic cost convention except where otherwise stated.

The majority of the Foundation's assets and liabilities are denominated in Pounds Sterling. The functional currency of the Foundation is therefore considered to be Pounds Sterling and the Financial Statements are presented in that currency.

1.2. Income

Income is recognised when the charity has entitlement to the funds, it is probable that the income will be received and the amount can be measured reliably. The full analysis of income is shown in the Statement of Financial Activities.

Gift Aid receivable is recognised when the donor makes a donation with a valid Gift Aid declaration. Gift Aid receivable but not yet claimed at year-end is accounted for as accrued income. Any Gift Aid received in respect of a donation is credited to the same fund as the initial donation unless the donor or the terms of the appeal have specified otherwise.

1.3. Expenditure and irrecoverable VAT

Expenditure is recognised once: there is a legal or constructive obligation to make a payment to a third party arising from a past event; it is probable that settlement will be required; and the amount of the obligation can be measured reliably. Expenditure relates either to raising funds (the costs associated with fundraising) or to charitable activities (grants made to the Hungarian Foundation along with the support and governance costs associated with providing those

The charity is not registered for VAT and irrecoverable VAT is therefore charged as a cost against the activity for which the expenditure was incurred.

1.4. Debtors

Debtors (including trade debtors and loans receivable) are measured on initial recognition at the cash settlement amount after any trade discounts or amounts advanced by the charity. Subsequently, they are measured at the value of the cash or other consideration expected to be received.

1.5. Going concern

The Board has reviewed budgets and cash flow forecasts for 2021 and 2022 has a reasonable expectation the charity has adequate liquid resources to continue its activities for a period of at least 12 months from the approval of these financial statements. The majority MDAC's expenditure is discretionary and all of its unrestricted fund balances are held as cash. This provides a significant 'buffer' for unexpected operational costs. The Trustees have therefore concluded that it is appropriate to continue to adopt the going concern basis in preparing the financial statements.

**Mental Disability Advocacy Centre
Notes to the Financial Statements
for the year ended 31 December 2020**

2. Analysis of expenditure on charitable activities

	Restricted Funds 2020 £	Unrestricted Funds 2020 £	Total 2020 £	Total 2019 £
Grants to the Validity Foundation (Hungary)	(425,038)	-	(425,038)	(12,000)
Support and governance costs	-	(393)	(393)	(1,099)
Total	(425,038)	(393)	(425,431)	(13,099)

3. Net income for the year

Net income for the year is stated after charging:

	Total 2020 £	Total 2019 £
Independent examiner's fees	-	-
Assurance services other than audit or independent examination	-	-
Tax advisory fees	-	-
Other financial services	-	-

4. Remuneration of staff, Trustees and key management personnel

During the year, the charity had no paid employees. There were no key management personnel and no employee received a salary in excess of £60,000. The average monthly headcount was nil.

The charity's Trustees were not paid any remuneration nor received any other benefits from the charity or any related entity. Trustees are entitled to reimbursement for reasonable travel costs incurred in the course of their duties. No such reimbursements were made in 2020.

5. Debtors, prepayments and accrued income

	2020 £	2019 £
Accrued income	-	250
Total	-	250

The accrued income balance in the previous period related to Gift Aid receivable which had not been paid by HMRC before the year-end.

**Mental Disability Advocacy Centre
Notes to the Financial Statements
for the year ended 31 December 2020**

6. Cash at bank and in hand

	2020	2019
	£	£
Cash at bank and in hand	235,579	23,086
Total	235,579	23,086

All of the charity's cash was held in a Sterling current account with no notice period or other restriction on the Trustees' ability to draw down on the balance.

7. Creditors falling due within one year

	2020	2019
	£	£
Grants to the Validity Foundation (Hungary)	156,892	-
Total	156,892	-

8. Analysis of charitable funds

Current accounting period				
	Balance			Balance
	01.01.20	Income	Expenditure	31.12.20
	£	£	£	£
Restricted fund (Validity Grant Fund)	-	425,038	(425,038)	-
Unrestricted income fund	23,336	55,906	(555)	78,687
Total unrestricted funds	23,336	480,944	(425,593)	78,687
Previous accounting period				
	Balance			Balance
	01.01.19	Income	Expenditure	31.12.19
	£	£	£	£
Unrestricted income fund	11,419	25,232	(13,315)	23,336
Total unrestricted funds	11,419	25,232	(13,315)	23,336

The unrestricted income fund is used to meet the costs of all charitable activities, as well as operational and fundraising costs.

The Validity Grant Fund was set up during the year to account for the income and expenditure made under a grant agreement between MDAC and the Validity Foundation in Hungary. This grant was approved by the Trustees of both entities to protect the Validity Foundation's funds during a period of unprecedented political upheaval in Hungary caused by the pandemic. It has been treated as a restricted fund in accordance with the terms of the grant agreement between the two entities.

9. Related party transactions

The charity's sole member is the Validity Foundation, a non-profit organisation registered in Hungary. During the year, MDAC had the following transactions with the Validity Foundation:

	New grant commitments 2020 £	Payable as at 31.12.2020 £	New grant commitments 2019 £	Payable as at 31.12.2019 £
Grants to the Validity Foundation	425,038	156,892	12,000	-