



MENTAL DISABILITY ADVOCACY CENTRE

Company number: 06240151

Registered charity no: 1124016

Annual Report and Financial Statements for the year ended 31 December 2021

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

Despite the difficult operating environment in 2021, MDAC has successfully supported Validity to pursue remarkable opportunities to strengthen our organisation and achieve strategic impact in advancing the rights of persons with disabilities.

During 2021, Validity saw real growth in its connections with disability movements, reflecting a conscious repositioning as an indispensable partner to persons with disabilities and their representative organisations. Validity worked closely on shared objectives in the last year with organisations such as the European Network on Independent Living (ENIL), the International Disability Alliance (IDA), the Center for the Human Rights of Users and Survivors of Psychiatry (CHRUSP), Transforming Communities for Inclusion (TCI), and the Pan-African Network of Persons with Psychosocial Disabilities (PANPPD), as well as a host of individual leaders with disabilities and national level OPDs in Europe and Africa. In addition to its ongoing legal work, during 2021 Validity received and responded to requests for legal assistance from persons with disabilities or organisations for

persons with disabilities in France, Finland, Belgium, Slovakia, Uganda, Kenya, Zambia, Hungary, and Bulgaria, among others. Finally, we established an internal Working Group in 2021 to plan and take concrete steps to enhance inclusion across our internal operations.

Unsurprisingly, the pandemic had a profound impact on Validity's staff team, partners, and its ability to rely on existing tools to advance justice and rights for persons with disabilities. Whereas the pandemic is no longer a new phenomenon, staff continue to experience challenges arising from, or exacerbated by, the virus and accompanying restrictions, challenging our colleagues professionally and personally. Operations in Africa have been particularly affected because of travel restrictions: senior management from Validity have not been able to travel to the continent to meet staff or partners and advance the work on the ground for well over two years. Validity plans to strengthen and reinvigorate its strategy in Africa as major priority during 2022.

Plans for Future Periods

As noted above, Validity's activities in Africa will be a strategic focus for 2022, and MDAC is supportive of Validity's plans to set up a new operating entity in Africa, with Kenya chosen as the most appropriate location given Validity's existing presence in the country. MDAC plans to provide financial and organisational support for the creation of a new Kenyan entity during 2022.

Another long-term objective of Validity's Board and management has been to secure a new seat of registration for the organisation as a whole in order to mitigate against the challenging operating environment in Hungary. Travel restrictions prevented Validity from completing registration in the Netherlands, however it is hoped that this will proceed during 2022. Once again, MDAC will continue to provide financial and organisational support for this objective.

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 over £40,000 of unrestricted donations in support of this objective. During the year, MDAC provided a total of £211,000 of funding to the Validity Foundation. This total consisted of £157,000 which had been committed in previous years and was paid in 2021, and a new commitment of £54,000 which remained unpaid at 31 December 2021, but was paid in full in early January 2022.

At the year-end, MDAC's reserves totalled £64,896, 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.

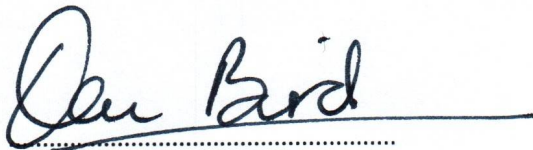
Regular board meetings of the two entities take place consecutively on the same day with members of both boards present throughout, although only members can only vote on resolutions concerning the entity to which they are legally appointed. Board members of both entities provide strong support

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.

This report was approved by the Board on 5 September 2022 and signed on its behalf by :

A handwritten signature in black ink, appearing to read 'Dan Bird', is written over a horizontal line. Below the line, there is a dotted line.

Daniel Bird
Trustee and Treasurer

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

Victoria Macdonald	(Chair)
Peter Chivers	(Vice-Chair)
Jean Barclay	(Company Secretary)
Mike Bienenfeld	
Daniel Bird	(Treasurer)
Anthony Busser	
George Julian	
Phillippa Kaufmann QC	
Lamin Khadar	
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 2021.

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: 12 September 2022

Kim Christina Knight, ACMA

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

Mental Disability Advocacy Centre
Statement of Financial Activities
incorporating Income and Expenditure Account
for the year ended 31 December 2021

	Note	Restricted Funds £	Unrestricted Funds £	Total 2021 £	Total 2020 £
Income from:					
- Donations and legacies		-	40,507	40,507	480,944
Total income		-	40,507	40,507	480,944
Expenditure on:					
- Raising funds		-	-	-	(162)
- Charitable activities	2	-	(54,298)	(54,298)	(425,431)
Total expenditure		-	(54,298)	(54,298)	(425,593)
Net income	3	-	(13,791)	(13,791)	55,351
Net movement in funds for the year		-	(13,791)	(13,791)	55,351
Reconciliation of funds	7				
Funds brought forward 1 January		-	78,687	78,687	23,336
Funds carried forward 31 December		-	64,896	64,896	78,687

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.

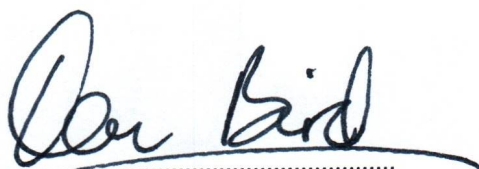
**Mental Disability Advocacy Centre
Balance Sheet as at 31 December 2021**

	Note	2021 £	2020 £
Fixed assets		-	-
Total fixed assets		-	-
Current assets			
Debtors, prepayments and accrued income		4,188	-
Cash at bank and in hand	5	136,651	235,579
Total current assets		140,839	235,579
Liabilities			
Creditors falling due within one year	6	(75,943)	(156,892)
Net assets		64,896	78,687
Funds of the charity	7		
Restricted funds		-	-
Unrestricted income funds		64,896	78,687
Total charity funds		64,896	78,687

For the period ended 31 December 2021, 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 5 September 2022 and signed on its behalf by:



Daniel Bird
Trustee and Treasurer
Registered Company No: 06240151

**Mental Disability Advocacy Centre
Notes to the Financial Statements
for the year ended 31 December 2021**

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 2021**

2. Analysis of expenditure on charitable activities

	Restricted Funds 2021 £	Unrestricted Funds 2021 £	Total 2021 £	Total 2020 £
Grants to the Validity Foundation (Hungary)	(54,250)	-	(54,250)	(425,038)
Support and governance costs	-	(48)	(48)	(393)
Total	(54,250)	(48)	(54,298)	(425,431)

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 2021.

5. Debtors, prepayments and accrued income

	2021 £	2020 £
Accrued income	4,188	-
Total	4,188	-

The accrued income balance relates 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 2021**

6. Cash at bank and in hand

	2021	2020
	£	£
Cash at bank and in hand	136,651	235,579
Total	136,651	235,579

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. Analysis of charitable funds

Current accounting period	Balance 01.01.21 £	Income £	Expenditure £	Balance 31.12.21 £
Unrestricted income fund	78,687	40,507	(54,298)	64,896
Total unrestricted funds	78,687	40,507	(54,298)	64,896
Previous accounting period	Balance 01.01.20 £	Income £	Expenditure £	Balance 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

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 prior year to account for the income and expenditure made under a grant agreement between MDAC and the Validity Foundation in Hungary. It was been treated as a restricted fund in accordance with the terms of the grant agreement between the two entities. All funds had been disbursed by 31 December 2020 so the restricted fund was closed.

8. 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 2021 £	Payable as at 31.12.2021 £	New grant commitments 2020 £	Payable as at 31.12.2020 £
Grants to the Validity Foundation	54,249	75,943	425,038	156,892

The full balance outstanding at 31 December 2021 was paid to the Validity Foundation in Hungary on 4 January 2022