



MENTAL DISABILITY ADVOCACY CENTRE

Company number: 06240151

Registered charity no: 1124016

Annual Report and Financial Statements for the year ended 31 December 2022

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.

Vision, Mission, and Activities

Validity strives for a world of equality, where emotional, mental, and learning differences are valued equally; where the inherent autonomy and dignity of each person is fully respected; and where human rights are realised for all people without discrimination.

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.

All of Validity's work is grounded in the rights set out in the UN Convention on the Rights of Persons with Disabilities. We were part of a large community of NGOs and others that lobbied the drafters to frame these violations as rights:

- the right to legal capacity – this means the right to make decisions in your own life and to receive support to do this;
- the right to live independently and be included in the community – with services to provide support rather than being forced to live in institutions;
- the right to inclusive education for all – pushing for inclusive, mainstream schools which provide individualised support when needed; and
- the right to reasonable accommodations – which means that public services must learn to respond to the individual needs of people with disabilities as of right

Since the adoption of the Convention, Validity has directed every effort towards promoting these rights and supporting people with mental disabilities to turn these rights into reality. We do so by focussing on three international campaigns which tackle the most widespread and systematic human rights violations faced by people with mental disabilities worldwide. These overarching campaigns are:

- 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”

Achievements and Performance

After a year of recovery from the pandemic in 2021, Validity saw its activities expand significantly during 2022. This involved working closely with lawyers in Europe and Africa to consolidate its global litigation docket. Validity's lawyers were involved in several major judgments, such as the European Court of Human Rights finding Moldova in violation of article 3 of the European Convention on Human Rights in a case concerning forced abortions and contraception of women with intellectual disabilities in the country. During the year, Validity convened a case conference involving numerous state authorities to advocate for implementation of the decision and calling for broader reforms in an often neglected area of disability rights.

During the year, Validity also successfully applied to lead or participate in major European Union co-funded initiatives such as Child-Friendly Justice (promoting justice systems that uphold the rights and needs of children), Voices for Justice (which included the development of a specialist toolkit for professionals and persons with disabilities who are victims of crime), ENABLE (research project concerning procedural guarantees and barriers in the criminal justice system for adult defendants with disabilities).

On 15 August 2022, Ann Campbell stepped down from her role as Co-Executive Director of the Validity Foundation. During her time as Co-Executive Director, Ann jointly oversaw the growth and financial stability of Validity alongside Steven Allen, and built and managed a team of exceptional advocates and lawyers. Amongst many other achievements in her eight years with the organisation, Ann led the largest international docket of strategic disability-rights cases in the world, driving change through almost 100 cases since 2014, including its first ever cases in Africa, at the UN, and before the Court of Justice of the EU. As she left the organisation, the Trustees of MDAC thanked her for eight years' hard work and dedication to Validity's mission to enhance equality and justice for persons with disabilities.

Plans for Future Periods

Validity continues to increase its activities in Africa, and MDAC is supportive of Validity's plans to set up a new operating entity in Africa. Kenya has been 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 2023.

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 to mitigate against the challenging operating environment in Hungary. Once again, MDAC will continue to provide financial and organisational support for this objective in 2023.

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 £35,000 of unrestricted donations in support of this objective. During the year, MDAC provided a total of £129,000 of funding to the Validity Foundation. This total consisted of £76,000 which had been committed in previous years and was paid in 2022, and a new commitment of £53,000 which was fully paid by the year-end.

At the year-end, MDAC's reserves totalled £47,018, all of which were unrestricted and mostly 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 to Validity's growing staff team. MDAC itself employs no staff, although its Board is supported by the Executive Director of the Hungarian Foundation, 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 25 September 2023 and signed on its behalf by



.....
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 KC	
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 2022.

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.

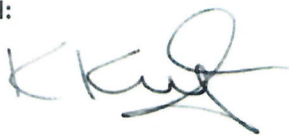
Independent examiner's statement

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: 22 September 2023

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 2022

	Note	Restricted Funds £	Unrestricted Funds £	Total 2022 £	Total 2021 £
Income from:					
- Donations and legacies		-	35,611	35,611	40,507
Total income		-	35,611	35,611	40,507
Expenditure on:					
- Raising funds		-	-	-	-
- Charitable activities	2	-	(53,489)	(53,489)	(54,298)
Total expenditure		-	(53,489)	(53,489)	(54,298)
Net income	3	-	(17,878)	(17,878)	(13,791)
Net movement in funds for the year		-	(17,878)	(17,878)	(13,791)
Reconciliation of funds	7				
Funds brought forward 1 January		-	64,896	64,896	78,687
Funds carried forward 31 December		-	47,018	47,018	64,896

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 2022

	Note	2022 £	2021 £
Fixed assets		-	-
Total fixed assets		-	-
Current assets			
Debtors, prepayments and accrued income		5,763	4,188
Cash at bank and in hand	5	41,255	136,651
Total current assets		47,018	140,839
Liabilities			
Creditors falling due within one year	6	-	(75,943)
Net assets		47,018	64,896
Funds of the charity	7		
Restricted funds		-	-
Unrestricted income funds		47,018	64,896
Total charity funds		47,018	64,896

For the period ended 31 December 2022, 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 25 September 2023 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 2022**

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 2022**

6. Cash at bank and in hand

	2022 £	2021 £
Cash at bank and in hand	41,255	136,651
Total	41,255	136,651

All 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 01.01.22 £	Income £	Expenditure £	Balance 31.12.22 £
Unrestricted income fund	64,896	35,611	(53,489)	47,018
Total funds	64,896	35,611	(53,489)	47,018
Previous accounting period	Balance 01.01.21 £	Income £	Expenditure £	Balance 31.12.21 £
Unrestricted income fund	78,687	40,507	(54,298)	64,896
Total funds	78,687	40,507	(54,298)	64,896

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

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 2022 £	Payable as at 31.12.2022 £	New grant commitments 2021 £	Payable as at 31.12.2021 £
Grants to the Validity Foundation	53,429	-	54,249	75,943

The full balance outstanding at 31 December 2021 was paid to the Validity Foundation in Hungary on 4 January 2022. All new grants committed during the 2022 financial year were paid before the year-end.

**Mental Disability Advocacy Centre
Notes to the Financial Statements
for the year ended 31 December 2022**

2. Analysis of expenditure on charitable activities

	Restricted Funds 2022 £	Unrestricted Funds 2022 £	Total 2022 £	Total 2021 £
Grants to the Validity Foundation (Hungary)	-	(53,429)	(53,429)	(54,250)
Support and governance costs	-	(60)	(60)	(48)
Total	-	(53,489)	(53,489)	(54,298)

3. Net income for the year

Net income for the year is stated after charging:

	Total 2022 £	Total 2021 £
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 2022.

5. Debtors, prepayments, and accrued income

	2022 £	2021 £
Accrued income	5,763	4,188
Total	5,763	4,188

The accrued income balance relates to Gift Aid receivable for which claims had been submitted to HMRC but payment not received before the year-end.