



Mental
health
research

2020

ANNUAL REPORT

Trustees report and financial statements for
the year ended 31 December 2020

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Company number

07406055

Charity number

1139916

SC046075

Registered office

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Country of registration

England & Wales

Country of incorporation

United Kingdom

Bankers

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Auditors

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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:

Dr Shahzad Malik (Chair)
Mr John A Herrmann
Professor Emily Holmes
Professor Peter Jones FMedSci
Ms Helen Munn OBE (appointed 23 June 2020)
Mr Chris Parsons
Professor Irene Tracey FMedSci
Ms Sarah Woolnough
Mr Michael J Horvitz (appointed 23 June 2020)

Key management

Mr Lea Milligan – CEO
Mr Jey Balakrishnar – Head of Finance & Operations
Ms Sarah Shenow – Head of Research
Ms Emily Wheeler – Head of Philanthropy & Partnerships
Ms Bryony Doughty – Head of Marketing



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Letter from the Chairman

2020 was a year like no other. And whilst no one could have predicted the events of this most tumultuous of years, it has reaffirmed a fact we at MQ already knew to be true: **There is an urgent need for more investment in mental health research.**

As social distancing measures and national lockdowns the world over separate us from our friends and loved ones, for some this has helped to improve their mental health. But for many others, it has had detrimental, even catastrophic effects. Why have some groups been impacted so significantly? Only research can answer this question.

In the midst of the first lockdown of the year MQ had a change of leadership as Dr Helen Munn OBE handed the reigns over to our new CEO Lea Milligan. I am so grateful to Helen for her steady hand and guidance through a period of great transformation, and for her support to myself, the trustees and the staff.

Helen and the other trustees join me in welcoming Lea to the MQ family. Since starting in June 2020 Lea has already launched a new five-year strategy for MQ to hone our focus on the areas most important to our supporters and stakeholders, as well as helping MQ continue to create impactful change in the world of mental health and improve outcomes for those who need it.

You can find out more about Lea on page 6 and our new five-year strategy on page 10.

Despite the impact of COVID-19 on MQs activities and income, I am pleased we were able to approve three new studies through our Fellows Awards.

These three studies on borderline personality disorder, autism and mental health and the impact of the pandemic on young people, are wide ranging. But all have a core focus on the mental health of young people.

Investing in early career scientists through our Fellows programme helps to retain talent within the field of mental health research and increase diversity among professionals in the field.

Increasing the diversity of mental health research professionals is just one way we can prevent inequality when it comes to attitudes, treatments and access to care. By targeting the rising tide of youth mental illness, the injustice of racial inequalities in treatment, and the scandal of lives cut short through failing to integrate mental and physical health care, MQ's work will have impact for many years to come.

As I look to the future, I can see that there are many challenges we face, but we are in a stronger than ever position to tackle them face on.

The MQ Foundation in the USA is expanding and this year will see it's first full-time Executive Director appointed. Many of the projects MQ first supported are coming to fruition and we have an ever-increasing supporter base of enthusiastic ambassadors and generous donors without whom we would not be able to operate.

To everyone who has supported MQ in 2020, I thank you. It is because of you that we will be able to transform mental health through research.



Dr. Shahzad Malik

MQ's vision

Since the Wellcome Trust founded MQ in 2013, we have invested over £21M to support mental health research across 41 projects worldwide.

By taking a leading role in the field of data science, investing in early career scientists and creating the brand new Participate platform to link researchers with the general public, we're helping to illuminate our understanding of mental illness.

In this, the most challenging of years, we have invested £812,843 in 16 projects across a wide range of disciplines and subjects. For example, research by Dr Jean-Baptiste Pingault into the effects bullying in childhood can have on long-term mental health. This will help the many people struggling, such as MQ's newest ambassador for autism and mental health, AJ who experienced bullying in his youth. You can read more about Dr Pingault's research and AJ's story on page 15.

Over the next five years, a brand-new strategic approach will hone our focus and investment into the areas we believe are most vital and where we can have the greatest impact. See pages 10-12 for more information about our new five-year strategic framework.

Through sustainable, long-term investment in cutting-edge research MQ enables talented researchers to better understand, treat and ultimately prevent mental illnesses.

IDEA: Identifying Depression in Early Adolescence

Following MQ's largest-ever award, scientists successfully tested and validated a first-stage risk detection tool to predict which young people will go on to develop depression.

To read more about the IDEA project, and the other global impact project MQ supports see page 14.

Improving anxiety treatments for women

MQ-funded research found that women living with anxiety who have low levels of oestrogen are less likely to recover, even with therapy. This will change how treatments for anxiety is delivered – improving the lives of millions.

Protecting children from psychosis

Pioneering MQ-funded research proved that taking folic acid during pregnancy helps protect children developing psychosis.

Overcoming trauma

MQ-funded scientists identified the brain cells involved in rewriting traumatic memories. This has opened the gates to finding and testing better treatments for PTSD.

Introducing CEO Lea Milligan

Lea Milligan joined MQ in June as CEO. Previously the Executive Director of International NGO Mercy Ships. He has spent his career working in the non-profit sector.

Why have you joined MQ?

Over the last decade I have had the privilege of meeting and learning from young offenders in custody, families in some of the most deprived parts

of the UK and communities across West and Central Africa. In this time mental health has been a common thread, and it is visible in the lives of not only those in the toughest of circumstances but across all of society – my own family included.

Our mental and physical health are intrinsically linked. Our understanding of mental health is far behind where it should be, and we must do more to prevent and treat mental illnesses effectively.

MQ is an exciting, young organisation that has brought about incredible change in a very short period. The opportunity to contribute to such an important cause is amazing. WHO has highlighted some of the biggest challenges; depression is one of the leading causes of disability; suicide is the second leading cause of death among 15-29-year-olds; people with severe mental health conditions die prematurely – as much as two decades early – due to preventable physical conditions. Research is a core part of the solution.

What challenges has MQ faced this year and what challenges are to come?

Globally, 2020 is the year in which we realised the fragility of our individual and collective health and our health infrastructure. The underfunding and mismanagement of health care structures that has been going on for years has been highlighted the world over.

We've all faced challenges and MQ has not been immune to the financial impact of lockdowns. But thanks to its loyal donor base and the prudent leadership of the board and executive team we are well placed to continue to invest in ground-breaking research.

We still face an uphill struggle for the next few years. As social distancing remains part of normal life, as the economic impact of the pandemic works out and as the continued rise in mental health conditions worsens we will face many challenges. However, with a new five-year plan and an exciting team of researchers and leaders I am confident we will continue to make a greater and greater impact.

How will you lead MQ in the face of these challenges?

I am a firm believer in people. At MQ, we have assembled a strong board with leaders from the worlds of finance, science and philanthropy as well as an expanding international research committee with specialists, covering all disciplines of mental health science.

The MQ team based in London and New York has an incredible combination of talent and passion and are supported by an ever-growing group of ambassadors. My role is no more complex than to give the whole team the tools and forums they need to make our plans a success.



Lea Milligan

What is your long-term vision for the future of MQ?

MQ's vision for a brighter future needs us to focus relentlessly on the research that will make the greatest gains in understanding, treatment and ultimately prevention. MQ has already proven that by engaging the public and bringing scientists closer to patients, we can see research move into practical results.

Over the next five years we will be seeking to launch programmes that tackle some of the biggest questions in mental health.

- What does mental health look like in a post-pandemic world?
- How do we reduce the mortality gap between those with mental health conditions and those without, and how can we better understand the interplay with physical health?
- What radical new approaches can we take to tackle depression? Globally, the most large-scale mental health problem

I am also passionate about addressing inequalities across the globe to improve mental health for all.

Some of our most exciting research projects are led by researchers in low and middle income countries and are increasingly in global collaborations. As the world continues to get smaller, we can work ever more closely to learn from each other and aid better mental health for all.

To achieve all this, we will be focusing on essential goals across 2021:

- Growing the influence of our US office, appointing an Executive Director and expanding the board.
- Positioning our UK team to increase our impact with policy makers to see more funding secured for research and radical change to the mental health infrastructure and provision.
- Grow our numbers of supporters at all levels to expand the portfolio of research we support.
- Increase the international reach of our research committee to find and fund the best science with the greatest impact.

By focusing on these goals as an organisation across 2021 we will facilitate exciting and innovative research that will impact lives.

And finally, you joined MQ during an “unprecedented” time of social distancing. How has it been working remotely with a brand-new team?

I can't evidence it, but the most common phrases of the year must include “unprecedented”, “never before”, “now more than ever” and obviously “you're on mute.”

Leadership at any level is about relationships. Whether that's with your team, those you seek to

MQ is an exciting, young organisation that has brought about incredible change in a very short period

influence or the people you are serving. The main changes I, and others, have had to make over the last year is to be ever more intentional about connecting with people, asking deeper questions, finding ways to connect on multiple levels.

I think society will take a while to recover and I don't think we can ever go back to the lifestyle of 2019. We haven't yet begun to realise the learnings from this time – but over the next few years I'm excited to see how we can be more flexible in working patterns, support greater diversity and build different ways of thinking that can really help us to move forward.



Key achievements of 2020

In a year that brought healthcare issues into sharp focus worldwide, we're investing in understanding to take on the other pandemic: mental illness.

Mental health and COVID-19

Before March 2020, up to 1 in 4 people worldwide experienced a mental illness each year. But 2020 has been different. We are already seeing the worrying impact COVID-19 is having on people's mental health.

In response to the pandemic, MQ, along with the Academy of Medical Sciences, convened an expert group of scientists and those with lived experience to set out mental health research priorities. The paper was published in the prestigious Lancet Psychiatry journal in May 2020. It has also led to MQ being represented at the Lords' enquiry on COVID-19, to answer questions on its impact on mental health, resulting in our ongoing engagement with the UK Government's Chief Medical Officer, to continue to look to the UK mental health research strategy for the future.

In August, we partnered with Swansea University, the Mental Health Foundation and Leaders Unlocked on a study to highlight how young people in the UK are struggling with their mental health as a result of

the COVID-19 pandemic. The study showed the vast majority (68%) of British teenagers fear the pandemic will make the future worse for people their age, while half of those surveyed said they had not been able to stop or control their worrying. Following on from the results of the survey, we will continue to target the rising tide of youth mental illness over the coming months and years, particularly as we learn more about the long-term effects of the pandemic.

Vaccination will be unlikely to lead to the eradication of COVID-19 and it will be many years until developing nations receive vaccination programmes at scale. We have been involved in ensuring that mental health and the voice of patients remains a key element of research into the direct impacts of COVID-19. We are working as part of the two biggest global studies on COVID-19:

- The Post-hospitalisation COVID-19 study (PHOSP-COVID); a consortium of leading researchers and clinicians working together to understand and improve long-term health outcomes for patients who have been in hospital with confirmed or suspected COVID-19.
- COVID-19 Clinical Neuroscience Study (COVID-CNS) - investigating the neurological and neuropsychiatric effects of COVID-19 to understand who is at risk and to develop strategies on how to treat them. We're looking to further support research into the impacts of long COVID, to further understand the mental health implications.



APPG

We joined the All-Party Parliamentary Group for a Fit and Healthy Childhood. We'll play our part to produce a report on the mental health impact of the COVID-19 pandemic government response on children in the UK. The report due in spring 2021 will layout proposed plans for the recovery of mental health services and research.

Fellows

We are delighted to have secured funding for three new fellows awards. Generous donations from The Rosetrees Foundation, a legacy gift from Jan Tymoteusz Szczuka and supporters of the MQ Foundation will support three early-career scientists in their fields of study, beginning in early 2021.

The areas of study for all three fellows are wide ranging, but each has a core focus on children and young people's mental health.

Participate

Over 82,000 people have visited the Participate site since it launched in November 2019. Throughout 2020 there were 46,000 visitors to the Participate site and 5,996 applications to take part in studies. Additionally, of the volunteers recruited through Participate, there were 43% more applicants from Black and ethnic minority backgrounds than the sector average. This is a hugely important development in better understanding mental health inequality.

One of the most popular Participate studies of 2020 was on the impact of childhood experiences on later coping styles. This online study, run by the University of Manchester, had 672 people take part.

"Advertising via the MQ platform helped us recruit very easily! I believe within a month we were able to reach our anticipated recruitment target which is fantastic! The study aims to understand whether negative life events that happened to people when they were children affect people's metacognitive beliefs and their emotional well-being as an adult."

Metacognitive beliefs are the beliefs people have about their thoughts, and these beliefs are particularly important because they've been seen as a psychological mechanism that may lead to anxiety and depression. Metacognitive beliefs have also been associated with poor coping, increased worrying, and dwelling. The results of this study will be analysed later this year."

Dr Lora Capobianco, PhD., CPsychol
Greater Manchester Mental Health NHS Foundation Trust & University of Manchester

MQ fellow named one of the BBC's most influential women in the world

Dr. Etheldreda Nakimuli-Mpungu, from Uganda, has been named one of the 100 most influential women in the world in 2020 by the BBC. Etheldreda, who is an MQ Fellow alumna, is changing the lives of people with HIV and depression. Through MQ's grant, Etheldreda conducted a randomised controlled trial and demonstrated that her group support psychotherapy (GSP) programme produced a profound effect on major depression. Almost all of the 568 trial participants who received the intervention achieved remission by six months after treatment, and remained depression-free 12 months later.

To find out more about the international projects MQ is supporting see page 13.



Dr. Etheldreda Nakimuli-Mpungu

Five-year strategy

As we enter this new strategic chapter of MQ's continued growth, we have taken lessons from the past and the research we have invested in, as well as looking to a future of a new global uncertainty.

To transform mental health, we need a truly multi-disciplinary approach. We need input not only from researchers within psychology, psychiatry and neuroscience but also from everyone from anthropology, clinicians, and most importantly people with lived experience of mental health problems.

Over the next five years this will be the underpinning platform on which our work is carried out to see us reach a brighter future of good mental health for all.



1. Growing talent

In order to transform mental health, we need to increase the number of highly skilled, diverse researchers passionate about using their expertise to benefit people's lives.

We support talented early-career researchers with bold ideas from across the globe who aspire to be the next generation of leaders, fully embedded in a multi-disciplinary approach to mental health research.

Over the next five years, MQ will invest in inspiring new talent and expand the capability and quality of research.

2. Investing in impact

By investing in the impact of MQ's research areas, we can create real and sustainable change to the mental health landscape.

By taking radical approaches, driving rapid innovation and focusing on lived experience, MQ can help transform policies, treatments and attitudes.

Over the next five years MQ will invest in research programmes that drive innovation in policy and practice and challenge the status quo.

3. Challenging Inequality

Structural inequalities drastically impact how people experience mental illness and treatments. We will have maximum impact by focusing on the substantial unmet need so that vulnerable groups can flourish.

We will target the rising tide of youth mental illness, the injustice of racial inequalities in mental illness and treatment, and the scandal of lives cut short through failing to integrate mental and physical health.

Over the next five years MQ will invest in research that closes the inequalities gap.

4. Engaging people

MQ uniquely exists to bring people and researchers together to drive forward mental health research.

By engaging a wide and diverse audience in conversations about mental health we can help decrease the stigma attached to the subject and improve access to services and treatments.

Over the next five years, we want to see the number of people actively supporting mental health research increase threefold as well as engage a diverse group of individuals to take part in and inform our research projects.



Our approach

We are committed to setting the highest ethical standards for our research. At MQ we believe that the 'how' is as important as the 'why' and so throughout all our work these core pillars will be in place:



Data-driven science

We will support projects that harness the power of data to transform people's lives. We will continue to galvanise the mental health data science community and transform the policy environment to facilitate effective use of resources through the removal of administrative hurdles to ethical analyses of data.



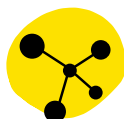
Public and patient involvement and engagement

We will listen to diverse voices to increase understanding of mental health together. Robust research relies on the participation of people with lived experience of mental health problems. We will continue to amplify the voice of experts by experience and ensure they are valued contributors throughout the mental health research landscape.



Sustainable investment

We'll continue to ensure that all of our investments in research and future programmes give those we fund the confidence they need to undertake vital work. We'll also make sure those who give see a real impact for their investment with us. Despite the challenges the pandemic has brought to charities, including MQ, we are confident that the investments we have already made, and will continue to make, will have real impact on people's lives.



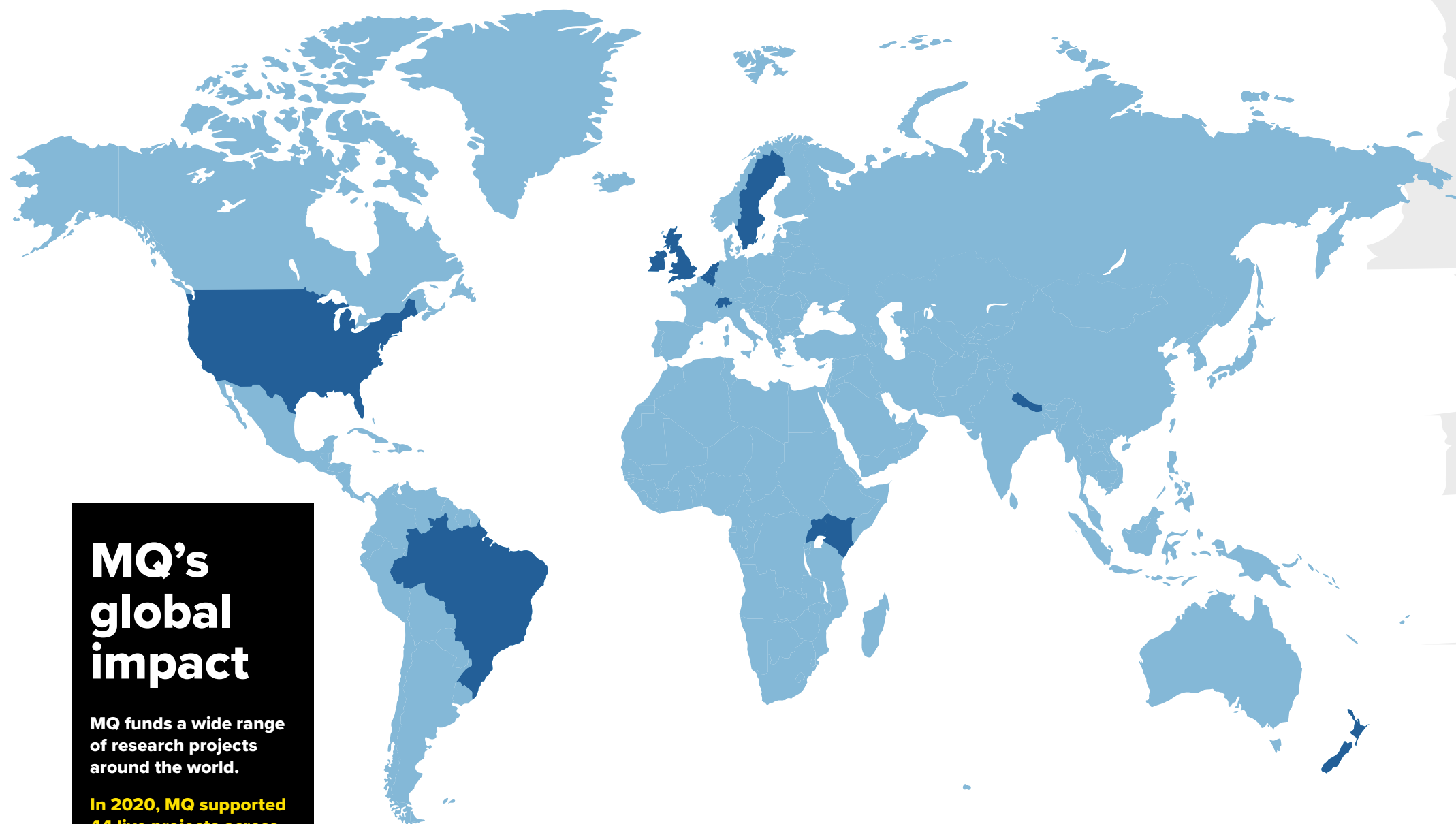
Collaboration and partnership

We're committed to expanding our network of partners and never duplicating work that has already been done. By engaging people from across the mental health ecosystem and collaborating across disciplines we will see a brighter future for mental health.

"The mental health challenges we face across the world are huge. But if we work together, through research, we can tackle them. I have a tremendous sense of optimism when I see the bold research being taken forward by MQ, now propelled by this ambitious call to action."

Professor Emily Holmes, Uppsala University and Karolinska Institutet, Sweden. MQ trustee and Research Committee Chair 2020.





MQ's global impact

MQ funds a wide range
of research projects
around the world.

**In 2020, MQ supported
44 live projects across
six continents.**

MQ's global impact

IDEA – Identifying Depression Early in Adolescence

The publication of this MQ-funded study in January 2020 was a game changer. The study successfully developed a predictive tool that helps recognise the young people who are at high-risk of depression.

This study, run by Dr Valeria Mondelli and her team from King's College London, used data from around the world including Brazil, Nepal and Nigeria. The prediction tool Valeria and her team developed works cross culturally and can be adapted for use worldwide.

Genetic links between epilepsy and mental health conditions

Dr Symon Kariuki from the KEMRI-Wellcome Trust Research programme in Kenya is looking at genetic information from Sub-Saharan African populations to understand more about the links between epilepsy and mental illness.

African populations have a greater diversity in their genes but at the moment, most genetic research involves white people. This novel approach – of studying different ethnicities – offers potential to find important new genetic risk factors, which could impact mental health care on a global scale.

Synaptic Plasticity: A path to more specific treatments for mental illness

Dr Patrick Rothwell and his team from the University of Minnesota are using cutting edge neuroscience to investigate whether conditions such as addiction and depression can be effectively treated by strengthening the connections between different parts of the brain.

Patrick's research will help us to understand more about how pathways in the brain affect specific behaviour of people with mental health problems. If this study is successful, it could lead to improved mental health treatments and may even help to create new ones.

Personal *story*

One in five children experienced some kind of bullying in 2019, but some are more at risk than others.

MQ-funded researcher Dr Jean-Baptiste Pingault, and his team have been researching bullying and mental health since 2017. His study, *Bullying and Mental Health: a Genetically Informative Approach*, investigated whether improving our understanding of the relationship between mental health and bullying could lead to more targeted and effective support for young people.

In 2020 Jean-Baptiste concluded his study which provides unprecedented evidence on the origins and consequences of bullying victimisation.

The project used a large sample of 11,108 twins from the Twins Early Development Study, a longitudinal study collecting data from sets of twins in the UK. Twins who share their genes and environments, such as a family home, have different experiences regarding victimisation.

Jean Baptiste's study found that children with pre-existing risk factors for conditions such as ADHD and depression are more likely to be bullied than their peers. They also suffer longer-term mental health issues as a result, such as anxiety, depression and paranoid thoughts.

These findings came as no surprise to MQ's newest ambassador Ajay Songagara, known by his stage-

A photograph of a man, Ajay Songagara, standing on a city sidewalk. He is wearing a white jacket with 'BRAVES' and 'FM' on it, a black beanie, and white sneakers. He is holding a large white sign that reads 'INCREASE MENTAL HEALTH FUNDING!!!' in black, hand-painted capital letters. The background shows a busy city street with other pedestrians, trees, and buildings, including one with a 'HOUSE OF FRASER' sign. A large, stylized silhouette of a person's head is overlaid on the right side of the image.

Ajay Songagara

“I would spend my time in my room on social media which was the worst thing for me.”

name AJ Soni. Today, AJ is a singer, rapper and spoken word artist who performs at poetry events and has met celebrities such as Rita Ora, Stormzy and Ellie Goulding. But during his time at school, AJ was a target for bullies.

“I’ve been battling with my mental health for 27 years. I didn’t talk until I was seven years old and was very lonely at school. When I was 11, I was diagnosed with dyslexia, learning difficulties and special educational needs. After that, I started high school. That was when the bullying started. I was physically attacked, called names and had chewing gum thrown at me. I went through so much pain and isolation for many years. I lost all confidence and suffered from depression.

I would spend my time in my room on social media which was the worst thing for me.

“I remember my mum used to take me for private treatments as the school did not understand bullying or mental health. When I was 25, I was diagnosed with autism. My escape route has always been music; now I’m standing strong and smiling and looking forward to releasing my first single about my journey.”

Jean Baptiste’s research found that all current interventions focus on stopping the act of bullying itself. His findings show that it is essential to also provide support to the victims of bullying, particularly people like AJ who are vulnerable to mental health conditions, to help them recover quicker and lessen the impact to their long-term mental health.

Jean Baptiste is now working to maximise the impacts of his findings. He is working with the Anna Freud Centre to create essential support resources for children, parents and teachers to distribute to over 3,000 schools. He has collaborated with an expert panel from government agencies to ensure policy impact, with additional input from MQ’s Young People Advisory group. Jean-Baptiste has made a significant contribution to understanding bullying and the anti-bullying movement.

You can read Jean Baptiste’s findings in JAMA Psychiatry, Nature human behaviour and the Psychological Bulletin.



Jean-Baptiste

Financial Review and Strategic Report

Summary

MQ Mental Health Research saw in a successful year given the significant challenges of COVID-19 pandemic. The highlights of 2020 included the appointment of a new permanent CEO, launch of a new five-year strategic framework and the completion of a successful Fellows Awards programme resulting in three successful awardees. Finances continued to move towards sustainability with income generated through the US and UK offices, with two years of seed funding from the Wellcome Trust remaining.

Income

Overall income for the year increased by 50% to £1.99m (2019: £1.32m). Philanthropic income increased by 10% to £0.75m (2019: £0.68m) representing 38% of income (2019: 53%); of which £0.42m is the first income from the US based MQ Foundation's fundraising efforts. Other generated income decreased by 31% to £0.17m (2019: £0.24m) with seed funding draw down from Wellcome Trust representing 40% (2019: 0%) of total income. Some reduction was due to the alterations of plans in light of the pandemic and a lack of challenge events to engage donors. The structuring of new campaigns and pledges from donors point to an increase in income in 2021 with expected recovery of events later in the year as well as robust growth plans for philanthropic income in the UK and US.

Expenditure

MQ Mental Health Research spent a total of £1.92m (2019: £3.32m) in charitable grants and programmes to help understand, treat and prevent mental ill health. The consolidation of the UK team has yielded efficiencies and

will impact future growth positively while ensuring fundraising expenditure £0.43m (2019: £0.49) is kept at a competitive proportion of expenditure.

Recognising the uncertainty of 2021 and the ambitious research goals for 2021-26, the Trustees have retained a portion of the income to be spent on increasing operational delivery over the next year and supporting the launch of new research grants.

Reserves policy

The Trustees review the reserves policy annually. In recognition of global financial uncertainty the Trustees feel the current policy is adequate. The policy requires MQ Mental Health Research to hold reserves (unrestricted funds) to cover a minimum six months' expenses, based on the annual budget as agreed by the Board. This was set at £0.8m based on the 2021 budget excluding fixed assets. At 31 December 2020, the free reserves of the charity amounted to £1.2m. Restricted funds are not included in the reserves policy, as the Trustees have no discretion over how they are spent. If the Trustees choose to designate funds, these will not be included in the reserves policy, as they are held for a designated purpose. All grants awards are retained in designated or restricted funds to ensure the continuity of funding to researchers and institutions.

Funds

At the end of 2020, total funds stood at £3.77m (2019 £4.14m)

- Restricted funds amounted to £0.46m (2019 £0.18m) and are subject to conditions imposed by donors or implied by the nature of an appeal



- Designated funds of £2.08m (2019 £2.22m) are held as awarded research grants
- Unrestricted funds of £1.23m (2019 £1.74m) comprise free reserves equivalent to 9 months based on 2021 budget

Going concern

We have set out above a review of the financial performance during the financial year and our reserves position at the year-end. We have adequate financial resources and have the structures in place to manage the business risks. In addition, our budgeting and forecasting processes have taken into consideration the current economic climate and its potential impact on both our various sources of income and expenditure. We have a reasonable expectation that we have adequate resources and control mechanisms to continue in operational existence for the foreseeable future. Further, we believe that there are no material uncertainties that may cast doubt on the charity's ability to continue as a going concern.

Therefore, we continue to adopt the going concern basis of accounting in preparing the annual financial statements.

Risk management

The risks which face the charity are detailed in its consolidated risk register, which the Trustees keep under active review. Headline Risks in 2021 include:

1. Uncertainty of the ongoing financial and social impact of COVID-19

Mitigation –

The board review stress testing of banking arrangements and have a diversified portfolio of risk. Fundraising efforts are focused on a range of segments and levels to reduce the potential impact of any sector-wide downturn.

2. Risk of losing key personnel due to COVID-19

Mitigation –

Existing HR processes include detailed job descriptions with clear roles and responsibilities which are defined in a matrix structure. In addition, a list of accounts and passwords is securely stored, and once business travel resumes insurance for key staff is already in place. Temp and recruitment agencies have already been sourced in case of an urgent need for staff.

The Trustees believe that appropriate policies to mitigate lower-level day-to-day risks have been adopted. They also believe that key financial systems are in place and appropriate internal controls are maintained for an organisation of the charity's size and complexity. The overall financial and operational control environment is kept under regular review by the CEO and Head of Finance with regular reports provided to the Executive Team and Board.

Corporate Structure and Governance

MQ Mental Health Research, company number 07406055 and charity number 1139916 (England & Wales) and SC046075 (Scotland), is a charitable company limited by guarantee and not having a share capital. The charity is governed by its Memorandum and Articles of Association dated 19 January 2011 and it was incorporated on 13th October 2010. The Memorandum and Articles of Association were revised 12 March 2019. Under the conditions of the guarantee, members' liability is restricted to £1 each. The number of members in 2020 was 9 (2019 7).

MQ Mental Health Research is the owner of a registered trademark and as such through a license agreement licenses The MQ Foundation, a 501c3 non-profit company registered in New York, USA. Additional agreements define the operational and strategic links between the organisations, safeguarding the independence of both entities and their responsibilities for data protection, financial management, safeguarding and strategic operation.



MQ Mental Health Research's charitable objects

The Board has ongoing regard to the public benefit guidance published by the Charity Commission when reviewing the charity's activities and future plans. MQ Mental Health Research continues to make a significant impact in funding and supporting ground-breaking research, convening experts through events and forums and supporting the publication of studies and reports. Regular monitoring and reporting of projects is carried out to ensure that MQ continues to deliver world-class research and is utilising funds in line with the wishes of donors in the UK, US and around the world.

Safeguarding

MQ's safeguarding arrangements are reviewed annually and the Trustees feel that policies in place represent a robust due diligence on those receiving grants, a strong framework to protect vulnerable donors and clear training and support for all staff engaging in frontline activities.

Board and management roles

The MQ Mental Health Research Board of Trustees is legally responsible for the overall control of the charity and for ensuring that it is properly managed.

The Board's principal roles are:

- Approving the mission, strategies, policies and annual business plan
- Appointing and overseeing the CEO
- Monitoring performance and risk management
- Reporting performance with integrity and transparency
- Setting the vision and maintaining high standards of stewardship and values
- Ensuring compliance with UK law and Charity Commission regulations
- Managing its governance processes
- Adding value by advising management
- Representing the interests of MQ Mental Health Research's stakeholders.

The Board delegates responsibility for operational management to the CEO (the Principal Officer), who is responsible for developing the organisation's plans, policies and processes, following Board advice and approval. The Executive Team made up of the Heads of Finance; Research; Marketing, and Philanthropy & Partnerships, support the leadership of the organisation's strategic growth. Salaries of key personnel are benchmarked with external research and agreed by the Board of Trustees.

Fundraising

MQ Mental Health Research complies with the Fundraising Standards Board Requirements and is registered with the Fundraising Regulator, only utilising agencies that are compliant with these standards. MQ does not solicit gifts by telephone or door to door acquisition methods, has received no complaints from any regulator and ensures that all donors receive only the communications they request.

Remuneration policy

MQ's salaries are set within broad pay band structures at each grade, informed by external benchmarking as necessary. The performance of key management personnel is monitored via regular one to one meetings with the CEO (and the CEO with the Chair), assessment against objectives and an annual appraisal process. Any salary awards for key management personnel must be approved by the Chair.

Board composition

The Board comprises independent, unremunerated, non-executive directors (trustees) who have a broad range of skills and experience including scientific, clinical, financial, legal and strategic backgrounds. Recognising the international collaboration of charities, MQ Mental Health Research provides observers in the form of the UK Chair and the UK CEO to the MQ Foundation



Board (total eight members), and in return receives two members from the MQ Foundation Board as full MQ Mental Health Research Trustees (total nine members). As the Board continues to strengthen and expand, the Trustees are committed to the highest standards and encouraging applications from a diverse range of individuals.

Trustee recruitment, induction and training are overseen by working groups of the Board.

Board expenses

No fees or remuneration are paid for serving as a MQ Mental Health Research Board member. MQ Mental Health Research reimburses reasonable expenses incurred in the course of acting as a director. This includes travel and accommodation expenses required to attend meetings, training and orientation costs. Every effort is made to ensure costs are at a minimum.

Board meetings

The Board meets five times a year, with additional meetings as required. The Board has one subcommittee:

- **Research Committee** – made up of nine members of whom four are board members of MQ.

This committee is established under formal terms of reference, which are reviewed annually. The committee includes members with directly relevant experience, including scientific and clinical skills. The Board does not delegate major decision-making powers to the committee.

Auditor

Moore Kingston Smith LLP were appointed as the charitable company's auditor during the year and has expressed its willingness to continue in that capacity.

The Trustees' Annual Report has been approved by the Trustees on 21 April 2021 and signed on their behalf by



Shahzad Malik
Chairman



Chris Parsons
Trustee

Independent Auditor's Report to the Members of MQ Transforming Mental Health

Opinion

We have audited the financial statements of MQ: Transforming Mental Health ('the company') for the year ended 31 December 2020 which comprise the Statement of Financial Activities, the Summary Income and Expenditure Account, the Balance Sheet, the Cash Flow Statement and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including 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 31 December 2020 and of its incoming resources and application of resources, including its income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the Companies Act 2006, the Charities and Trustee Investment (Scotland) Act 2005 (as amended), regulations 6 and 8 of the Charities Accounts (Scotland) Regulations 2006 (as amended) and the Charities Act 2011.

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 charitable company'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.



Other information

The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. The trustees are responsible for the other information. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the trustees' annual report for the financial year for which the financial statements are prepared is consistent with the financial statements; 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 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 where the Companies Act 2006, the Charities Accounts (Scotland) Regulations 2006 (as amended) and the Charities Act 2011 require us to report to you if, in our opinion:

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of trustees' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit; or
- the trustees were not entitled to prepare the financial statements in accordance with the small companies regime and take advantage of the small companies exemption in preparing the Trustees' Annual Report and from preparing a Strategic Report.

Responsibilities of trustees

As explained more fully in the trustees' responsibilities statement set out on page 19, 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 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

We have been appointed as auditor under Section 44(1)(c) of the Charities and Trustee Investment (Scotland) Act 2005, the Companies Act 2006 and Section 151 of the Charities Act 2011 and report to you in accordance with regulations made under those Acts.

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 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 is detailed below.

Explanation as to what extent the audit was considered capable of detecting irregularities, including fraud

The objectives of our audit in respect of fraud, are; to identify and assess the risks of material misstatement of the financial statements due to fraud; to obtain sufficient appropriate audit evidence regarding the assessed risks of material misstatement due to fraud, through designing and implementing appropriate responses to those assessed risks; and to respond appropriately to instances of fraud or suspected fraud identified during the audit. However, the primary responsibility for the prevention and detection of fraud rests with both management and those charged with governance of the charitable company.

Our approach was as follows:

- We obtained an understanding of the legal and regulatory requirements applicable to the charitable company and considered that the most significant are the Companies Act 2006, the Charities Act 2011, the Charity SORP, the Charities and Trustee Investment (Scotland) Act 2005 (as amended), regulations 6 and 8 of the Charities Accounts (Scotland) Regulations 2006 (as amended) and UK financial reporting standards as issued by the Financial Reporting Council.
- We obtained an understanding of how the charitable company complies with these requirements by discussions with management and those charged with governance.
- We assessed the risk of material misstatement of the financial statements, including the risk of material misstatement due to fraud and how it might occur, by holding discussions with management and those charged with governance.
- We inquired of management and those charged with governance as to any known instances of non-compliance or suspected non-compliance with laws and regulations.



- Based on this understanding, we designed specific appropriate audit procedures to identify instances of non-compliance with laws and regulations. This included making enquiries of management and those charged with governance and obtaining additional corroborative evidence as required.

As part of an audit in accordance with ISAs (UK) we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purposes of expressing an opinion on the effectiveness of the charitable company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the trustees.
- Conclude on the appropriateness of the trustees' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the charitable company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the charitable company to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Use of our report

This report is made solely to the charitable company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006; and to the charity's trustees, as a body, in accordance with Section 44(1)(c) of the Charities and Trustee Investment (Scotland) Act 2005, and in respect of the financial statements, in accordance with Chapter 3 of Part 8 of the Charities Act 2011. Our audit work has been undertaken so that we might state to the charitable company's members and trustees those matters which 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 any party other than the charitable company, the charitable company's members, as a body, and the charity's trustees, as a body for our audit work, for this report, or for the opinion we have formed.

Moore Kingston Smith LLP

Neil Finlayson (Senior Statutory Auditor)

Date 21/04/2021

for and on behalf of Moore Kingston Smith LLP, Statutory Auditor
Devonshire House
60 Goswell Road
London
EC1M 7AD

Statement of financial activities

(incorporating an income and expenditure account)

For the year ended 31 December 2020

	Note	Unrestricted £	Restricted £	2020 Total £	2019 Total £
Income from:					
Donations and legacies	2	1,229,903	730,262	1,960,165	1,276,785
Charitable activities	3	–	–	–	18,652
Investments	4	17,271	–	17,271	27,557
Other Government income		–	7,655	7,655	–
Total income		1,247,174	737,917	1,985,091	1,322,994
Expenditure on:					
Raising funds	5	428,096	–	428,096	486,966
Charitable activities					
Scientific research	5	998,951	262,892	1,261,843	2,590,351
Awareness raising and Advocacy	5	465,191	192,449	657,640	728,781
Total expenditure		1,892,238	455,341	2,347,579	3,806,098
Net income for the year and net movement in funds	7	(645,064)	282,576	(362,488)	(2,483,104)
Reconciliation of funds:					
Total funds brought forward		3,955,501	181,910	4,137,411	6,620,515
Total funds carried forward		3,310,437	464,486	3,774,923	4,137,411

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 16 to the financial statements. Full comparatives of the statement of financial activities are in Note 22.

Balance sheet

As at 31 December 2020

Company no. 07406055

	Note	£	£ 2020	£	£ 2019
Fixed assets:					
Tangible assets	12		3,400		7,207
			3,400		7,207
Current assets:					
Debtors	13	166,936		231,770	
Cash at bank and in hand	18	3,817,740		4,113,801	
		3,984,676		4,345,571	
Liabilities:					
Creditors: amounts falling due within one year	14	(213,153)		(215,367)	
Net current assets			3,771,523		4,130,204
Total net assets	15		3,774,923		4,137,411
The funds of the charity:					
Restricted funds	16	464,486		181,910	
Unrestricted funds (including designated funds)					
Designated funds	16	2,082,127		2,218,657	
General funds	16	1,228,310		1,736,844	
Total funds			3,774,923		4,137,411
Total charity funds			3,774,923		4,137,411

Approved by the trustees on 21 April 2021 and signed on their behalf by:



Shahzad Malik, Chairman



Chris Parsons, Trustee

Statement of cash flows

For the year ended 31 December 2020

	Note	£	£	£	£
			2020		2019
Cash flows from operating activities					
Net cash provided by / (used in) operating activities	17		(293,642)		(2,547,601)
Cash flows from investing activities:					
Purchase of fixed assets		(2,458)		—	
Fixed asset disposable		39		—	
Transfer from short term deposits		—		1,457	
Net cash provided by / (used in) investing activities			(2,419)		1,457
Change in cash and cash equivalents in the year			(296,061)		(2,546,144)
Cash and cash equivalents at the beginning of the year			4,113,801		6,659,945
Cash and cash equivalents and net debt at the end of the year	18		3,817,740		4,113,801

1 Accounting policies (continued)

f) 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.

g) 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.

h) 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 grants to mental health research organisations, advocacy activities and other educational and awareness-raising activities 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.

i) Grants payable

Grants payable are made to third parties in furtherance of the charity's objects. Single or multi-year grants are accounted for when MQ upon annual review approve the milestones in the grant agreement are met. Contingent grant liabilities are disclosed when the charity has indicated a willingness to fund a project but the grant milestones have not yet been met (note 20).

When the intention to make a grant has been communicated to the recipient but there is uncertainty about either the timing of the grant or the amount of grant payable, the total grant commitment is set aside in a designated fund (note 20).

j) Allocation of support costs

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

Where information about the aims, objectives and projects of the charity is provided to potential beneficiaries, the costs associated with this publicity are allocated to charitable expenditure.

Support and governance costs are re-allocated to each of the activities on the following basis which is an estimate, based on staff time, of the amount attributable to each activity.

• Scientific research	40%
• Awareness raising and Advocacy	25%
• Cost of raising funds	35%

Governance costs are the costs associated with the governance arrangements of the charity. These costs are associated with constitutional and statutory requirements and include any costs associated with the strategic management of the charity's activities.

1 Accounting policies (continued)

k) Operating leases

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

l) Tangible fixed assets

Items of equipment are capitalised where the purchase price exceeds £500. Depreciation costs are allocated to activities on the basis of the use of the related assets in those activities. Assets are reviewed for impairment if circumstances indicate their carrying value may exceed their net realisable value and value in use.

Depreciation is provided at rates calculated to write down the cost of each asset to its estimated residual value over its expected useful life. The depreciation rates in use are as follows:

• Leasehold Property	5 years
• Office Equipment	3 years
• Fixtures and Fittings	5 years

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) Short term deposits

Short term deposits includes cash balances that are invested in accounts with a maturity date of between 3 and 12 months.

p) Creditors and provisions

Creditors and provisions are recognised where the charity has a present obligation resulting from a past event that will probably result in the transfer of funds to a third

party and the amount due to settle the obligation can be measured or estimated reliably. Creditors and provisions are normally recognised at their settlement amount after allowing for any trade discounts due.

The charity only has financial assets and financial liabilities of a kind that qualify as basic financial instruments. Basic financial instruments are initially recognised at transaction value and subsequently measured at their settlement value with the exception of bank loans which are subsequently measured at amortised cost using the effective interest method.

q) Estimates and Uncertainties

Key judgements that the charitable company has made which have a significant effect on the accounts include estimating the liability from multi-year grant commitments (see 1(i)).

The trustees do not consider that there are any sources of estimation uncertainty (other than grant commitments Note 20) 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.

r) Pensions

The charity operates a defined contribution pension scheme for employees. The assets of the scheme are held separately from those of the charity. The annual contributions payable are charged to the statement of financial activities.

Notes to the financial statements

For the year ended 31 December 2020

1 Accounting policies

a) Basis of preparation

The financial statements have been prepared in accordance with Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2015) – (Charities SORP FRS 102), the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (September 2015) 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.

b) Public benefit entity

The charitable company meets the definition of a public benefit entity under FRS 102.

c) Going concern

The trustees consider that there are no material uncertainties about the charitable company's ability to continue as a going concern for at least 12 months from the date of signing these financial statements. The trustees have considered possible events or conditions that might cast significant doubt on the ability of the charity to continue as a going concern, including the impact of the COVID-19 outbreak. The trustees have approved operational plans and expenditures based on income level and are confident of operating the charity well within the parameters of our reserves policy. Accordingly the trustees continue to adopt the going concern basis in the preparation of the financial statements.

d) 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.

e) 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.

2 Income from donations and legacies

	2020 Unrestricted £	2020 Restricted £	2020 Total £	2019 Unrestricted £	2019 Restricted £	2019 Total £
Gifts						
Individual Giving	151,449	4,263	155,712	236,796	1,872	238,668
Wellcome Trust*	774,938	124,000	898,938	–	216,000	216,000
Philanthropy and Partnerships	293,516	453,789	747,305	355,091	322,390	677,481
Co–Funding	–	148,210	148,210	–	144,636	144,636
Legacies	10,000	–	10,000	–	–	–
	1,229,903	730,262	1,960,165	591,887	684,898	1,276,785

*Under the Wellcome Trust's Grant Letter of 16th January 2012, at the balance sheet date, the charity had drawn down £20m. The company can in due course (and subject to compliance with the requirements set out in the grant letter), drawdown, in aggregate, a further £2.37m (2019: £0).

3 Income from charitable activities

	2020 Unrestricted £	2020 Restricted £	2020 Total £	2019 Unrestricted £	2019 Restricted £	2019 Total £
Contributions towards scientific meetings	–	–	–	18,652	–	18,652

4 Income from investments

	2020 Unrestricted £	2020 Restricted £	2020 Total £	2019 Unrestricted £	2019 Restricted £	2019 Total £
Bank interest received	17,271	–	17,271	27,557	–	27,557
	17,271	–	17,271	27,557	–	27,557

5 Analysis of expenditure

	Charitable activities					
	Cost of raising funds	Scientific research £	Awareness raising and Advocacy £	Governance costs £	Support costs £	2020 Total £
Staff costs (Note 8)	157,592	214,754	309,973	19,005	114,028	815,352
Grant-making (Note 6)	–	812,843	–	–	–	812,843
Other direct costs	132,603	74,887	244,516	9,257	89,314	550,577
Office costs	78	–	164	3	160,168	160,413
Audit	–	–	–	13,356	–	13,356
Bank charges	12	–	396	–	1,227	1,635
Foreign exchange (gains) and losses	–	–	–	–	(26,535)	(26,535)
Meetings	1,634	128	5,321	102	330	7,515
Legal fees	–	3,600	–	8,823	–	12,423
	291,919	1,106,212	560,370	50,546	338,532	2,347,579
Support costs	118,486	135,413	84,633	–	(338,532)	–
Governance costs	17,691	20,218	12,637	(50,546)	–	–
Total expenditure 2020	428,096	1,261,843	657,640	–	–	2,347,579

Of the total expenditure, £1,892,238 was unrestricted (2019: £3,066,497) and £455,341 was restricted (2019: £739,601).

5 Analysis of expenditure (continued)

		Charitable activities				
	Cost of raising funds	Scientific research £	Awareness raising and Advocacy £	Governance costs £	Support costs £	2019 Total £
Staff costs (Note 8)	260,517	315,335	245,562	–	69,710	891,124
Grant-making (Note 6)	–	1,923,252	–	–	–	1,923,252
Other direct costs	66,381	120,603	382,833	17,015	37,557	624,389
Office costs	2,059	124	151	134	191,818	194,286
Audit	–	–	–	12,900	–	12,900
Bank charges	–	–	230	17	1,723	1,970
Foreign exchange (gains) and losses	83	335	23	–	30	471
Meetings	32,761	84,112	5,778	9,447	7,325	139,423
Legal fees	–	3,544	4,800	9,939	–	18,283
	361,801	2,447,305	639,377	49,452	308,163	3,806,098
Support costs	107,857	123,265	77,041	–	(308,163)	–
Governance costs	17,308	19,781	12,363	(49,452)	–	–
Total expenditure 2019	486,966	2,590,351	728,781	–	–	3,806,098

6 Grant making (Grants to institutions)

	2020 £	2019 £
Cost		
Fellows Programme	595,955	559,567
PsyIMPACT	89,883	463,024
Data Science	47,009	119,966
Brighter Futures	79,996	780,695
At the end of the year	812,843	1,923,252

6 Grant making (Grants to institutions) (continued)

The Fellows programme supports the brightest and best early career scientists who are asking challenging questions that will contribute to transformative advances in mental health.

The PsylMPACT programme supports innovative research to develop and test psychological treatments, getting people the right treatments faster.

The Data Science programme awards grants to help realise the huge potential in the near term to harness data science to drive forward research.

The aims of MQ's Brighter Futures programme stem from the fundamental belief that research can change the trajectory of mental illness in young people, tackling the life-long impacts of many conditions and working towards a world where mental illness may one day be made preventable.

7 Net income for the year

This is stated after charging / (crediting):

	2020	2019
	£	£
Depreciation	6,226	10,693
Property lease rentals	114,000	134,140
Auditors' remuneration (excluding VAT)	11,130	10,750
Foreign exchange (gains)/ losses	(26,535)	471

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

Staff costs were as follows:

	2020 £	2019 £
Salaries and wages	719,822	783,161
Social security costs	64,182	76,043
Employer's contribution to defined contribution pension schemes	31,348	31,920
	815,352	891,124

Included in the Salaries and wages redundancy payments made during the year amounted to £10,000 (2019: £67,916) as a result of a restructuring of the Charity.

The following number of employees received employee benefits (excluding employer pension costs) during the year between:

	2020 No.	2019 No.
£60,000 – £69,999	1	1
£70,000 – £79,999	–	1
£80,000 – £89,999	–	2
£90,000 – £99,999	1	–

The pension contributions paid to higher employees amounted to £7,047 (2019: £12,363).

The total employee benefits (including employers' NI and pension contributions) of the key management personnel (CEO, Head of Finance, Head of Research, Head of Philanthropy & Partnerships, Head of HR and Head of Marketing) were £366,959 (2019: £476,594).

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

Trustees' expenses represents the payment or reimbursement of travel and subsistence costs totalling £10,336 (2019: £9,536) incurred by 7 (2019: 7) members relating to attendance at meetings of the trustees.

9 Staff numbers

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

	2020 No.	2019 No.
Raising funds	4	5
Scientific research (Including 2 Part time staff)	3	4
Awareness raising and advocacy	5	5
Support (Including 2 Part time staff)	4	3
	16	17

10 Related party transactions

Aggregate donations from trustees were £38,500 (2019: £115,000).

In 2019 Helen Munn resigned as Trustee after agreeing, with the Board, to take on the role of interim CEO from 4 November 2019. After appointing Lea Milligan as CEO, Helen was appointed as Trustee in June 2020.

Professor Peter B Jones is a trustee of the Charity. He was a co-applicant on a grant to the University of Cambridge, which was awarded £49,980 of grant funding during the year ended 31 December 2018. He was not involved in the grant funding decisions process and is a name only applicant on this grant. During 2019, £44,982 was paid to the university and final payment will be made in 2021.

11 Taxation

The charitable company is exempt from corporation tax as all its income is charitable and is applied for charitable purposes.

12 Tangible fixed assets

	Fixtures and fittings £	Office equipment £	Total £
Cost			
At the start of the year	9,033	62,916	71,949
Additions in year	–	2,458	2,458
Disposals in year	–	(39)	(39)
At the end of the year	9,033	65,335	74,368
Depreciation			
At the start of the year	8,039	56,703	64,742
Charge for the year	437	5,789	6,226
Eliminated on disposal	–	–	–
At the end of the year	8,476	62,492	70,968
Net book value			
At the end of the year	557	2,843	3,400
At the start of the year	994	6,213	7,207

13 Debtors

	2020 £	2019 £
Trade debtors	—	114,275
Other debtors	57,000	57,000
Accrued Income	24,942	1,245
Prepayments	84,994	59,250
	166,936	231,770

14 Creditors: amounts falling due within one year

	2020 £	2019 £
Trade creditors	26,054	40,641
Other creditors	1,813	2,803
Grant Accruals	107,999	158,896
Other Accruals	77,287	13,027
	213,153	215,367

15 Analysis of net assets between funds

a) At 31 December 2020	Restricted £	Unrestricted £	Total funds £
Tangible fixed assets	–	3,400	3,400
Current assets	464,486	3,520,190	3,984,676
Current liabilities	–	(213,153)	(213,153)
Net assets at the end of the year	464,486	3,310,437	3,774,923

b) At 31 December 2019	Restricted £	Unrestricted £	Total funds £
Tangible fixed assets	–	7,207	7,207
Current assets	181,910	4,163,661	4,345,571
Current liabilities	–	(215,367)	(215,367)
Net assets at the end of the year	181,910	3,955,501	4,137,411

16 Movements in funds

a) Year ended 31 December 2020	At the start of the year £	Incoming resources & gains £	Outgoing resources & losses £	Transfer £	At the end of the year £
Restricted Funds					
Brighter Futures ADP	–	240	(240)	–	–
Brighter Futures IDEA	–	1,000	–	–	1,000
Fellows	–	571,766	(212,668)	–	359,098
Nick Wilkes Fund	100	–	(100)	–	–
Awareness raising	–	100,000	(100,000)	–	–
Howell Jadwiga Fund	146,617	–	(42,229)	–	104,388
Participate	35,193	57,256	(92,449)	–	–
Other Government grant	–	7,655	(7,655)	–	–
Total restricted funds	181,910	737,917	(455,341)	–	464,486
Unrestricted funds:					
Designated funds:					
Grant commitments	2,218,657	–	(809,467)	672,937	2,082,127
Total designated funds	2,218,657	–	(809,467)	672,937	2,082,127
General funds	1,736,844	1,247,174	(1,082,771)	(672,937)	1,228,310
Total unrestricted funds	3,955,501	1,247,174	(1,892,238)	–	3,310,437
Total funds	4,137,411	1,985,091	(2,347,579)	–	3,774,923

16 Movements in funds (continued)

b) Year ended 31 December 2019	At the start of the year £	Incoming resources & gains £	Outgoing resources & losses £	Transfer £	At the end of the year £
Restricted Funds					
Brighter Futures ADP	79,996	35,240	(115,236)	–	–
Data Science	–	46,331	(46,331)	–	–
Fellows	10,000	230,136	(240,136)	–	–
Nick Wilkes Fund	–	100	–	–	100
PsyImpact	–	10,316	(10,316)	–	–
Mental Health Science Meeting	–	10,031	(10,031)	–	–
Howell Jadwiga Fund	146,617	–	–	–	146,617
Participate	–	352,744	(317,551)	–	35,193
	236,613	684,898	(739,601)	–	181,910
Unrestricted funds:					
Designated funds:					
Grant commitments	4,169,532	–	(1,950,875)	–	2,218,657
Total designated funds	4,169,532	–	(1,950,875)	–	2,218,657
General funds	2,214,370	638,096	(1,115,622)	–	1,736,844
Total unrestricted funds	6,383,902	638,096	(3,066,497)	–	3,955,501
Total funds	6,620,515	1,322,994	(3,806,098)	–	4,137,411

16 Movements in funds (continued)

Purposes of restricted funds

Brighter Futures Foundation	This fund supports the start up of our Brighter Futures programme
Brighter Futures IDEA	This fund contributes money toward the IDEA of the Brighter Futures project
Brighter Futures ADP	This fund contributes money toward the Adolescent Data Platform workstream of the Brighter Futures project
Brighter Futures HOPES	This fund contributes money toward the HOPES workstream of the Brighter Futures project
Data Science	This fund is used to help fund our data science programme
Fellows	This fund helps to pay for new and existing MQ Fellows
PsyImpact	This fund helps to pay for our PsyImpact programme
Mental Health Science Meeting	It is an annual event which bring together scientists, mental health stakeholders and policy-makers from across the UK and beyond.
Participate	A digital hub for mental health research, providing an accessible online portal to connect the research world to those with lived experience.
Nick Wilkes Fund	The Nick Wilkes Fund represents money received in 2014/2015 in honour of Nick Wilkes, a young man who lost his life to bi-polar disorder. This fund is being spent on research.
Howell Jadwiga Fund	This fund helps to pay for our Borderline Personality Disorder project

Purposes of designated funds

Grant commitments represent amounts awarded in relation to our Fellows, Data Science, Bright Futures and PsyIMPACT programmes payable in future years but where there is uncertainty of the timing of the grant payment as it is dependent on milestones being achieved.

17 Reconciliation of net income / (expenditure) to net cash flow from operating activities

	2020 £	2019 £
Net income for the reporting period (as per the statement of financial activities)	(362,488)	(2,483,104)
Depreciation charges	6,226	10,693
Decrease/(increase) in debtors	64,834	61,222
(Decrease) / Increase in creditors	(2,214)	(136,412)
Net cash provided by / (used in) operating activities	(293,642)	(2,547,601)

18 Analysis of cash and cash equivalents and changes in net debt

	At 1 January 2020 £	Cash flows £	At 31 December 2020 £
Cash at bank and in hand	4,113,801	(296,061)	3,817,740
Overdraft, Loan and Finance Lease	—	—	—
Total cash and cash equivalents	4,113,801	(296,061)	3,817,740

19 Commitments

The charity's total future minimum lease payments under non–cancellable leases is as follows for each of the following periods

	Land & Buildings 2020 £	Other 2020 £	Land & Buildings 2019 £	Other 2019 £
Within one year	86,640	6,438	91,935	8,129
Two to five years	311,904	377	404,516	6,261
Over five years	–	–	18,387	–
	398,544	6,815	514,838	14,390

20 Grant commitments

At 31 December 2020, the charity has committed to future expenditure amounting to £2,082,127 (2019 – £2,218,657) in relation to its Fellows, Data Science, Brighter Futures and PsyIMPACT programmes. The movements on these commitments are as below.

	2020 £	2019 £
Balance at the start of the year	2,218,657	4,169,532
New grants committed to	672,937	–
Exchange Rate differences/(write back)	3,376	(27,623)
Expended in the year	(812,843)	(1,923,252)
Balance at the end of the year	2,082,127	2,218,657
These commitments are expected to be payable as follows		
In one year	1,034,844	1,194,219
In two to five years	1,047,283	1,024,438
Total	2,082,127	2,218,657

20 Grant commitments (continued)

The grant commitments are not fully recognised in the year they are committed, as they are subject to annual progress review before further instalments are released. The amounts accounted for in the year are those MQ deem the milestones in the grant agreement have been met.

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.

22 Statement of financial activities (incorporating an income and expenditure account)

	Note	Unrestricted £	Restricted £	2019 Total £
Income from:				
Donations and legacies	2	591,887	684,898	1,276,785
Charitable activities	3	18,652	–	18,652
Investments	4	27,557	–	27,557
Total income		638,096	684,898	1,322,994
Expenditure on:				
Raising funds	5	486,966	–	486,966
Charitable activities				
Scientific research	5	1,850,750	739,601	2,590,351
Awareness raising and Advocacy	5	728,781	–	728,781
Total expenditure		3,066,497	739,601	3,806,098
Net income for the year and net movement in funds	7	(2,428,401)	(54,703)	(2,483,104)
Reconciliation of funds:				
Total funds brought forward		6,383,902	236,613	6,620,515
Total funds carried forward		3,955,501	181,910	4,137,411

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 16 to the financial statements.

Research committee members

Chair

Prof Emily A. Holmes PhD DCLinPsych, Distinguished Professor, Uppsala University and Karolinska Institutet

Trustee Members

Dr Helen L. Munn OBE, Interim Chair, UKRI Research Integrity Committee

Professor Irene Tracey FMedSci, Nuffield Chair of Anaesthetic Science; Warden of Merton College, University of Oxford

Professor Peter B. Jones MD PhD FMedSci, Professor of Psychiatry, University of Cambridge, Director, NIHR Applied Research Collaboration, East of England, Hon consultant psychiatrist & non-executive director, CPFT

Members

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"We supported the great work being carried out by MQ Mental Health Research: to have a better understanding and lessening of the stigma of mental illness and the research they undertake to better understand how the brain works to alleviate symptoms. The COVID-19 pandemic highlights the great need to understand and effectively treat mental illnesses."

WHSmith Plc

"Every time I attend an event with MQ, I come away filled with excitement and hope for the future that with the work of MQ, and the scientists they support, we will get as good at treating mental illness as we are at treating physical illness. If you have even a tiny bit of interest in mental health, I can't recommend the MQ events strongly enough to help to understand how MQ and you can make a difference."

"Mental health is one of the biggest issues facing the world today no matter where you live. Without research the long-term fight is hopeless. MQ is a star in this research and deserves funding from all of us!"

John Herrmann, MQ Trustee and MQ Foundation Chair

Thank you



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