

MONEY AND
MENTAL HEALTH
POLICY INSTITUTE

MONEY AND MENTAL HEALTH POLICY INSTITUTE
REPORT OF THE TRUSTEES AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2021
Charity Registration number: 1166493

**MONEY AND MENTAL HEALTH POLICY INSTITUTE
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MONEY AND MENTAL HEALTH POLICY INSTITUTE
ENTITY INFORMATION FOR THE YEAR ENDED 31 DECEMBER 2021

Chair of the Trustees	M Lewis
Vice-Chair of the Trustees	R Lloyd (resigned 31 March 2022) J Hill (appointed 31 March 2022)
Treasurer	C Pearson (appointed 15 March 2021) M Gwynant (resigned 15 March 2021)
Trustees	C Francis J Kay (resigned 15 March 2021) P Nash C Pond G Roy (appointed 15 March 2021) S Ryatt Z Clements (appointed 31 March 2022)
Address	22 Kingsway London WC2B 6LE
Charity Number	1166493
Auditors	Watts Gregory Elfed House Oak Tree Court Cardiff Gate Business Park Cardiff CF23 8RS
Bankers	Unity Trust Bank Limited Four Brindley Place Birmingham B1 2JB United Trust Bank Limited 1 Ropemaker Street London EC2Y 9AW Virgin Money Plc Jubilee House Gosforth Newcastle upon Tyne NE3 4PL

It's been another awful year. 2021 brought more Covid, more lockdowns and the start of the cost of living crisis – which is fast becoming the worst hit on people's personal finances since I began as the Money Saving Expert in 2000.

All that leads to widespread societal uncertainty and stress with a toll taken on people's mental health, income and employment. For those who were already experiencing mental health problems, a 'cost of living crisis' is nothing new and they were more at risk of financial hardship during the pandemic than the wider population,

That's why the Money and Mental Health Policy Institute's vision of breaking the link between financial difficulty and mental health problems has never been more vital.

Despite the past year's upheavals, and in some ways because of them, I am incredibly proud of the impact that the charity continues to have in reducing the harm caused by the pandemic, and securing changes from government, regulators, and firms that make a difference to people's lives. These include...

- The new Breathing Space debt relief scheme coming into place in May 2021. Thanks to our campaigning, people receiving NHS mental health crisis services will not be chased or charged fees and interest on their debts for as long as they are receiving that treatment (and 30 days after).
- Changes to out-of-date laws on debt letters, following our successful Stop the Debt Threats campaign. From the summer of 2021, creditors were no longer forced to send intimidating debt letters to people who are seriously behind on payments.
- Raising the alarm about planned cuts to face-to-face debt advice — plans that, thanks to our research and campaigning alongside an army of debt advisors, were later dropped.
- Working with a number of big high street banks to ensure they are more accessible for those with mental health issues – bringing direct impact on the day-to-day issues.
- Publishing state-of-the-nation research into the financial and mental wellbeing of people across the UK during the pandemic.
- Helping to lead a cross-sector coalition that successfully persuaded the government to crack down on scams in the Online Safety Bill
- Persuading the government to make improvements to the benefits systems, which will give people more channels to take part in health assessments
- Bringing together experts from the worlds of business, politics and healthcare for the Mental Health and Income Commission, which highlighted the stark income inequalities people with mental health problems face and how they can be addressed.

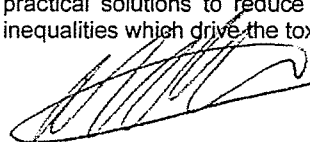
This is an impressive list of achievements in a year, especially for a small charity that is only six years old. Many factors help us punch far above our weight, but I'd like to draw special attention to our incredible Research Community of 'experts by experience', whose stories and ideas are at the heart of everything we do.

We owe them a huge thanks for their tremendous support in sharing their experiences and feedback to help others, and highlighting where changes need to be made.

There are many others deserving thanks for their crucial contribution to our work. They include Vice-Chair Richard Lloyd (who is now moving up or down – you decide – as interim chair of the FCA) and all my talented fellow trustees for their continued support, expertise and stewardship, and our Advisory Board for their experience and guidance.

Finally, I want to repeat my annual thanks to the whole Money and Mental Health team, and in particular Helen Undy, whose passion, leadership and enthusiasm has enabled the charity to have such great impact.

Of course 2021 was bad, 2022 is looking no better. The cost of living crisis is in full swing, these are dire times for many people's pockets – which has a direct effect on their mental wellbeing. As ever, we will do everything to come up with more practical solutions to reduce the psychological and financial harm this could cause, and to tackle the longstanding inequalities which drive the toxic link between money and mental health problems.



Martin Lewis CBE
Founder and Chair, Money and Mental Health Policy Institute

MONEY AND MENTAL HEALTH POLICY INSTITUTE
REPORT OF THE TRUSTEES FOR THE YEAR ENDED 31 DECEMBER 2021

The trustees are pleased to present the annual report and financial statements of the Money and Mental Health Policy Institute ("Money and Mental Health" or the "Institute" or the "Charity") for the year ended 31 December 2021.

The trustees confirm that the annual report and the financial statements of the Institute comply with current statutory requirements, the requirements of the Institute's constitution and the provisions of the Statement of Recommended Practice (SORP) "Accounting and Reporting by Charities" effective 1 January 2019 (FRS 102).

The Institute is a Charitable Incorporated Organisation (charity registration no 1166493, registered on 12 April 2016).

OBJECTIVES AND ACTIVITIES

In setting objectives and planning for activities, the trustees confirm that they have complied with the duty in section 17 of the Charities Act 2011 to have due regard to the public benefit guidance published by the Charity Commission.

Money and Mental Health is a research charity devoted to advance, for the public interest, understanding of mental health and financial capability and the relationship between the two.

Mental health problems can make it harder to earn money, to manage spending and to get a fair deal on products and services. Life is likely to cost more, precisely when we have less money available to spend. These challenges mean people experiencing mental health problems are three and a half times as likely to be in problem debt. Financial difficulty itself also causes stress and anxiety, but this is often made worse by collections activity or having to go without essentials. Over 100,000 people in England every year attempt to take their own life while struggling with problem debt.

With the furlough scheme having ended in 2021, the cost of living crisis now really starting to bite, and levels of mental distress still significantly higher than before the pandemic, our work is more important than ever. This report focuses on the impact we've had in 2021 in reducing some of the harms people have faced through the pandemic and the ensuing economic uncertainty.

The Charity's aim is to break the vicious cycle of money and mental health problems, so that all individuals have an equal chance of financial security, regardless of their mental health, and everyone's mental health can flourish, regardless of their financial circumstances.

As part of its 2019-2024 strategic plan, the Charity set the following three impact goals for itself with the view to create real change:

1. Fewer people are disadvantaged as a result of their mental health or experience psychological harm when choosing, using or paying for **essential services**;
2. Fewer people have poor **living standards** as a result of mental health problems; and
3. **Support services** become more effective at helping people who have both money and mental health problems.

To reach these goals we:

1. **Research the links between mental health problems and financial difficulties**, drawing on the lived experience of our Research Community, a group of over 3,500 volunteers with personal experience of mental health problems, and national datasets. The Research Community is at the heart of all of our work, and we are enormously grateful for their input over the last year.
2. **Develop practical policy and solutions**, working in partnership with those providing services, those who shape and regulate them, and those using them, to pursue what really works. In 2021 we were particularly grateful to the experts who contributed to our Mental Health and Income Commission.
3. **Campaign, collaborate, test and innovate until our research leads to real change**. In 2021, we worked in partnership with a cross-sector coalition of organisations to campaign for greater consumer protections against online scams. We engaged with more than 40 essential services firms through our Mental Health Accessible programme, delivering improvements for customers with mental health problems on issues like signposting and digital accessibility. We also drove change through our programme with financial services firms to reduce gambling related harm, and through our events and Professionals Network.

MONEY AND MENTAL HEALTH POLICY INSTITUTE

REPORT OF THE TRUSTEES FOR THE YEAR ENDED 31 DECEMBER 2021 (cont'd)

We are committed to achieving social change not just through the work we do, but also how we do it. In these difficult times, we have redoubled our efforts to live by our organisational values. For example:

- 46% of our staff, 29% of our advisory board and 57% of our trustees have personally experienced mental health problems¹; all of our trustees have a close lived experience connection to mental health problems in some way.
- In 2021 we continued to make supporting the mental health and wellbeing of our team a top priority, and in our staff survey, 92% of staff said they 'strongly agree' that Money and Mental Health is committed to supporting their wellbeing and health. We introduced a new flexible working policy, bringing in reduced core hours and much greater flexibility on where and when we work, as well as a real emphasis on making the most of the time we have together in-person as a team.
- In 2021 we established an internal Equality, Diversity and Inclusion working group to monitor and analyse our working practices, and to ensure that we are continually improving. This has resulted in us changing our recruitment processes, including advertising our jobs in a wider range of places in order to reach a broader pool of people; making more jobs available remotely; and taking measures to make it easier for people with disabilities to take part in interviews.

ACHIEVEMENTS, PERFORMANCE AND PLANS FOR THE FUTURE

2021 programme of activities

In 2021, Money and Mental Health turned five. To mark the occasion, we undertook a major research project examining the state of the nation's finances and mental health during the pandemic.

Our report '*The state we're in*' (published in November) showed that people with mental health problems faced a much higher risk of financial hardship compared to the wider population. In particular, this group were much more likely to have fallen into serious debt and borrowed money to pay for essentials. These issues also had a shocking psychological impact, with around 2.5m people with mental health problems who fell behind on bills saying they considered or attempted suicide during the pandemic.

We set out a package of actions for the government, the NHS and essential services providers to take to break the devastating cycle of debt and mental health problems which has been fuelled by the pandemic.

What's next?

To build on this research, in 2022 we are publishing a series of papers examining the impact of factors like gender, sexuality, age and ethnic background on our finances and mental health.

In 2021 the Charity has also continued to focus on the delivery of its three impact goals from the 2019-2024 strategic plan as described below.

Impact goal: Fewer people are disadvantaged as a result of their mental health or experience psychological harm when choosing, using or paying for essential services

Tackling online harms and scams

Our '*Safety Net*' report (published March 2021) warned that people with mental health problems face a much greater risk of financial harm when using online services and spaces, such as online shopping, accessing credit, or dealing with scammers. This is largely due to the UK's inadequate online consumer protections, especially against online scams, which disproportionately affect people with mental health problems. The report set out a series of recommendations on how government, regulators and tech firms could strengthen online protections and give people more ways to stay in control online.

One of the report's key recommendations was for the government to include online scams in the scope of the Online Safety Bill, its flagship legislation to tackle online scams. To build momentum on this issue, we joined forces with organisations including Which?, UK Finance, and MoneySavingExpert to form a cross-sector coalition calling on the government to act. We were delighted that in response to our campaigning the government announced that user generated scams such as fake social media posts or romance scams would be included in the bill. Yet that left paid-for online scam adverts, one of the most potent problems, outside of the scope of the bill. The coalition then refocused efforts on persuading the government to include these in the bill too. This was successful in early 2022, and they are now included in scope.

¹ Survey we conducted in March 2022

Stopping Debt Threat letters

In the summer of 2021, the government made changes to decades-old rules which forced lenders to send threatening letters to people with problem debt. These changes came following our successful Stop the Debt Threats campaign, which showed that these intimidating letters can contribute to people in debt becoming suicidal, and persuaded government to act. In response, the government changed the rules on default notices — the most distressing debt collection letters — to make them more supportive and less intimidating for people in problem debt. Crucially, these letters now also signpost people to sources of free debt advice, to help them climb out of debt.

In May 2021, we were thrilled when the Stop the Debt Threats campaign won the Best Consumer Campaign award at the Sheila McKechnie Foundation's National Campaign awards, our second success in this category.

Progress in the bank on tackling gambling harms

In 2021 we also entered the second and final year of our programme of work funded by the Gambling Commission, aimed at galvanising action among financial services firms to reduce gambling harms. This included holding a major conference for financial services professionals — our most ambitious online event to date — which featured speakers such as Chris Philp MP (Minister for Tech and the Digital Economy), Charles Randell (Chair of the Financial Conduct Authority), alongside five 'lived experience speakers' across our sessions.

We also held practical workshops for financial services professionals and published a best practice guide to help firms in this sector improve support for customers at risk of gambling harms. Finally, we held a roundtable for senior leaders within financial services firms, to discuss opportunities for the sector to collectively address these issues. This programme of work finished at the end of 2021, but we will continue to push for more action on reducing gambling harm in the years to come.

Making more firms Mental Health Accessible

2021 has been a big year for Mental Health Accessible, our suite of programmes supporting essential services providers to better support their customers with mental health problems. We grew our team, engaged with more than 40 essential services firms, and accredited a further two major high-street banks in Halifax and Bank of Scotland, bringing our total number of Mental Health Accessible accreditation partners to three.

We've also worked with more firms in different ways, expanding further into bespoke consultancy to help firms improve specific areas of their business, including communications to customers in debt, digital accessibility and supporting customers with problem gambling. A big part of our consultancy has been providing essential service firms with an opportunity to include the voice of lived experiences into their design processes. Our Research Community members have fed back to firms on particular customer communications, helping those firms design their communications in a way that best supports people with mental health problems.

As we move into our third year of the Mental Health Accessible programme, we are increasingly seeing the impact of our work with firms, especially where we've made recommendations and firms have gone away and implemented these. Some highlights include:

- Better online support pages for people struggling with their finances
- Better, more supportive, communications to customers in debt
- Improved third party access with some banks offering a trusted person card, allowing a third party to support them in a safer way
- Customer services teams being better equipped to appropriately signpost customers to support.

Influencing regulatory developments

In 2021, we were pleased to see a number of our policy ideas and recommendations being acted upon by essential services regulators. For example, following recommendations put forward in our research and in our submission to the Financial Conduct Authority's Woolard Review, the government announced in February that interest-free Buy Now Pay Later products would come under the regulation of the FCA — a major step forward in tackling the financial harm these products can cause.

Also in February, we welcomed new guidance published by the FCA, which called on firms to improve support for vulnerable customers, including those with mental health problems. In particular, the FCA's guidance called for firms to ensure that the needs of vulnerable customers are a key consideration in the design of products and services, and to make their communications more accessible and understandable — measures we have long called for in our research.

What's next?

In 2022, we have continued to work with our scams coalition partners to push the government to include online scam adverts in the scope of the Online Safety Bill — resulting in a campaign victory in March 2022.

We have also published new research warning that essential services providers are failing to meet their Equality Act duties to treat customers with mental health problems fairly — leaving millions of vulnerable people struggling to use the everyday services that we all rely on.

We are working with Christians Against Poverty to evaluate the impact of changes to debt letters following our Stop the Debt Threats campaign, and to develop best practice for firms on this issue.

We have also changed our Mental Health Accessible programme in 2022 to align more closely with the FCA's guidance on supporting vulnerable customers, with the aim of working with more firms on their vulnerable customer strategies, and helping them prepare for the new FCA consumer duty (due to come into place in 2023).

We will also be undertaking new research exploring and tackling unfair discrimination against people with mental health problems in key insurance markets.

Impact goal: Fewer people have poor living standards as a result of mental health problems

Closing the mental health income gap

In February 2021 we published our final report for the Mental Health and Income Commission, a group of leaders from business, unions, politics, academia and the third sector. This showcased our evidence of the income gap for people with mental health problems compared to the wider population. It also called on employers and government to both increase support during the pandemic and help people with mental health problems thrive in the long term.

Following the launch of the report, we met with officials from the Department for Work and Pensions (DWP) and the Department for Business, Energy and Industrial Strategy to discuss the Commission's calls to action on employment protections and the social security system.

Stopping people from being set up to fail by the Universal Credit system

Many people with mental health problems rely on support from friends and family to help them manage their benefits — from filling in complex forms, to dealing with DWP correspondence and challenging decisions about their benefits. But too often people struggle to get this support with Universal Credit (UC), because the process to give permission to a third party to help you is unclear, impractical and poorly advertised. This can lead to people struggling to keep their accounts updated, and more at risk of being sanctioned or losing their benefits altogether. In other words, the UC system is setting people up to fail.

In May 2021 we published research highlighting these concerns and launched our Set Up To Fail campaign calling on the government to act. Collaborating closely with people with first-hand experience of mental health problems and of claiming UC, we set out how simple changes could make it easier for those who need support to get it. Eleven leading organisations backed our campaign including Mind, Rethink Mental Illness and Christians Against Poverty, while over 2,000 people have signed our petition urging the government to act. We also secured a debate in the House of Lords on this issue, led by Lord Bryn Davies, during which DWP minister Baroness Stedman-Scott acknowledged these issues and promised to work with us to address them. We will continue to campaign for the government to make concrete changes to the UC system, to make it easier for people to get support from loved ones in managing their account.

In 2021 we were also pleased to see the DWP act on our longstanding recommendation to widen the range of channels through which benefits assessments are conducted. This will make these assessments more accessible for people with mental health problems who can often struggle when only one contact option is provided.

What's next?

With more people moving from legacy benefits onto UC, we will continue to campaign for the government to address the systemic problems that make it hard for people to get support from loved ones to manage their UC account.

We'll also be undertaking research into how our local area and regional disparities affect our financial and mental health. Our aim is to ensure the government considers these factors in its "Levelling Up" agenda, through which it aims to tackle regional inequalities and increase opportunities across the UK.

In the Mental Health and Income Commission, we found that people with mental health problems are more likely to need frequent and longer breaks from employment. This means those affected are less likely to be paying into a pension, as well as missing out on valuable employer contributions. We will be exploring how well the pensions system works for people with mental health problems currently, and what government, pension providers and advice agencies can do to make the experience of contributing to and engaging with pensions an easier one.

Our impact goal: Support services become more effective at helping people who have both money and mental health problems

Giving people with mental health problems Breathing Space from debt

In 2018, the government responded to our successful Recovery Space campaign, by agreeing to extend its Breathing Space debt respite scheme to people experiencing a mental health crisis each year. Following three years of consultation, the government implemented the Mental Health Breathing Space scheme in May 2021. That means that people receiving mental health crisis treatment are now able to pause escalating fees, charges and collections activity on their debts while they focus on recovery. We continue to work with the government and the Money and Pensions Service (MaPS) — the arm's length government body responsible for supporting people with financial decision-making — to ensure all those who could benefit from the Mental Health Breathing Space are able to.

Protecting face-to-face debt advice

In 2020, MaPS commissioned us to explore how debt advice could be made more effective for people with mental health problems, in our report '*Help along the way*'. In 2021, we were pleased to see MaPS take forward our recommendations on mental health training for advisers, as part of its recommissioning of debt advice services in England.

Alongside those positive steps, however, the recommissioning also looked set to reduce the amount of funding allocated to face-to-face debt advice. A major finding of '*Help along the way*' was that providing debt advice through a range of channels was vital in making this support truly accessible. At the end of 2021, we published research highlighting our concerns about the impact of cuts to face-to-face services, building on campaigning by many frontline debt advisors. MaPS subsequently increased the funding for face-to-face debt advice by 50%, protecting these services which will be invaluable in the months ahead given the rising cost of living.

In 2019, Research Community members told us that there wasn't enough information provided by healthcare professionals about the impact mental health problems can have on your finances. Off the back of that research, we've worked with the charity Mind to produce a range of materials about the links between mental health problems and financial difficulty. This information has been spread through social media, adverts and in over 3,000 GP surgeries, with the aim of preventing people with mental health problems from experiencing money troubles.

What's next?

The next stage in our collaboration with Mind sees us publishing a paper exploring how people receiving secondary mental health care - in hospital or from community mental health teams, for example - could be better supported with their finances.

Through an ongoing partnership with King's College London and Citizens Advice, we have been supporting a pilot combining money advice with mental health support through the NHS's Improving Access to Psychological Therapies (IAPT) programme. In the next year, we will publish a paper setting out the lessons learned so far and hold a seminar bringing together stakeholders to discuss how best to take forward integration of money advice and mental health services.

MONEY AND MENTAL HEALTH POLICY INSTITUTE
REPORT OF THE TRUSTEES FOR THE YEAR ENDED 31 DECEMBER 2021 (cont'd)

Staffing

The Charity sadly bade farewell to Samantha da Soller (Head of Finance and Operations) in September 2021 and Merlyn Holkar (Senior Research Officer) in December 2021. Both Samantha and Merlyn were original team members, when the Charity was founded and we wish them well in their new careers.

We were joined by Georgia Preece (Research Assistant) in January 2021, Alexis Stevens (Senior Strategic Partnerships Officer) in August 2021 and Nicky Deans (Head of Finance and Operations) in November 2021.

Money and Mental Health continued to run an internship scheme in 2021, remunerated at the London living wage for applicants who wish to join the Institute for six months. Haylie Page, Richard Taylor and Rachel Fergusson were all part of the internship scheme supporting the External Affairs team in 2021.

As at 31 December 2021, the Charity had 13 employees. Since the year end we have recruited Rebecca Stacey (Senior Research Officer) and also welcomed a new intern, Dom Taylor. Rachel Fergusson has remained with the Institute following the end of her internship, going through an open recruitment round to secure a new permanent position as External Affairs Assistant. We have also recently recruited a Senior Trusts & Foundations Officer, who will be joining us in May 2022. This is a new post, created as part of our income generation strategy to diversify our income basis as our founder's donation tapers off towards 2025.

FINANCIAL REVIEW

Despite the continuing impact of Covid-19, the Charity continued to operate within budget and generated a higher than anticipated unrestricted surplus of £197k in 2021.

Total income for 2021 of £833k was £98k higher than in 2020 and only 1% lower than budgeted. This was made up of unrestricted income of £800k and a restricted grant of £33k.

Expenditure related to charitable activities for the year totalled £722k split between unrestricted expenses of £602k and restricted expenses of £120k. Of this total, £603k related to direct project delivery costs, £112k related to support costs and £7k to governance costs. Total staff costs (included in delivery and support costs) represented 80% of the Charity's total expenses.

This was a tougher year than expected for Mental Health Accessible (MHA) with fewer prospects due to the challenges faced by the energy sector, which resulted in a £31k shortfall against budget for this income stream. This was substantially mitigated by unbudgeted income from other consultancy services and grants meaning that we ended the year only £12k behind on the total income budget.

Substantial savings were also realised in key cost areas mainly due to the impact of Covid-19. Switching from face-to-face events to virtual events resulted in savings on venue and travel costs. We were also fortunate that no premises costs were payable for the lockdown periods when our office building was closed. Delays in our recruitment plans also resulted in further savings.

All staff members continued to work from home throughout the Covid-19 pandemic with no reliance by the Charity on furlough schemes or other Covid-19 support measures.

The Institute reported a surplus of £111k in 2021 made up of an unrestricted surplus of £197k and a restricted loss of £86k. £80k of the restricted loss generated in 2021 was funded by the restricted funds received in 2019 for the Gambling Commission work programme (as part of a regulatory settlement between the Gambling Commission and a gambling firm). The remaining £6k of restricted costs related to additional unfunded expenditure on the project to get government commitment to secure changes to the UC system, which was predominantly funded by the Lloyds Bank Foundation for England and Wales. This additional expenditure was funded from unrestricted reserves.

The Institute's funds held on 31 December 2021 totalled £781k. The Gambling Commission confirmed that any amounts remaining in the restricted reserve at the end of 2021 could be transferred to the unrestricted general fund. This resulted in a transfer of £87k into the general fund meaning that the total of £781k of reserves at the year end was all unrestricted. This is explained further in the *Reserves Policy* paragraph below.

With a funding pledge from the founder until at least the end of 2025, the Institute continues to operate as a going concern. A financial strategy of prudence and care will be pursued which, together with a continued commitment to diversification of income, will ensure the ongoing financial sustainability of the Institute.

Funding

Like many charities, Money and Mental Health continued to be impacted by the Covid-19 pandemic throughout 2021 and this had some effect on our income diversification plans. Despite the difficulties faced by the energy sector, Mental Health Accessible secured funding of £138k, consisting of £81k for MHA accreditation for Halifax, Bank of Scotland and Lloyds banks as well as a further £57k for bespoke consultancy services to financial institutions.

Other unrestricted income included a £499k donation from the founder and Chair of the Board of Trustees and a £56k donation from Capital One. An unrestricted grant of £35k was received from the John Ellerman foundation and a restricted grant of £33k was received from Lloyds Bank Foundation for England and Wales. Other income from commissioned research also included £40k from Mind, £3k from NatCen and £18k from Kings College London in partnership with Citizens Advice to support the NHS's Improving Access to Psychological Therapies programme. £5k was also received in sponsorship income from Capital One and our three bank accounts generated interest of £5k.

In 2021 the founder's donation accounted for 60% of the Charity's income, whilst 40% was generated from other external sources. This demonstrates that the Institute is starting to see some success in diversifying its income sources in line with its funding plans.

We would like to thank our founder and all our funders for their support in 2021.

Reserves policy

The trustees have set a policy which requires that general unrestricted reserves be maintained at a level that ensures the charity's core activity could continue during a period of unforeseen difficulty and that a proportion of reserves be maintained in a readily realisable form. The trustees have set this level to be equivalent to a 3 months' worth of operating expenses and it reviews this position at every meeting. It should be noted that this is a minimum level and the trustees recognise that a higher level may be required at times when the external financial climate is more challenging or when investment is required to ensure operational efficiency and resilience in future years.

The Charity's reserve policy is in line with the guidance issued by the Charity Commission and the calculation of the required level of reserves is an integral part of the charity's budgeting and planning cycle.

Any funds received by the Charity for a specific project or purpose are held in a restricted fund. On 1 January 2021, restricted funds of £167k were held in the Gambling Commission Work Programme fund, created to accelerate progress towards delivery of the Gambling Commission's national strategy to reduce gambling harms. During 2021, £80k was spent on this project, which finished during the year. At the end of the project, the Gambling Commission agreed that the balance remaining on this fund of £87k would be transferred to the unrestricted general fund. Therefore the balance of restricted funds at 31 December 2021 was £nil.

Unrestricted reserves consist of designated reserves and general reserves. Unrestricted funds can be spent or applied at the discretion of the trustees to further any of the Charity's purposes. Unrestricted funds can also be used to supplement expenditure made from restricted funds. For example, a restricted grant may provide only part of the funding needed for a specific project. In this case unrestricted funds may be used to meet any funding shortfall for that project.

Trustees may also choose during the reporting period to set aside a part of the unrestricted funds to be used for a particular future project or commitment. By earmarking funds in this way, the trustees set up a designated fund that remains part of the unrestricted funds of the charity. For example, this may be appropriate for large, unproven future projects, with significant set up costs, until they are self-funding, or alternative sources of funding are found, as was the case with the Mental Health Accessible project. This designation has an administrative purpose only and does not legally restrict the trustees' discretion in how to apply the unrestricted funds that they have earmarked.

On 1 January 2021 the Charity held designated funds totalling £377k for Mental Health Accessible (£142k), future capacity costs (£60k) and other contingency costs (£175k). Trustees agreed to merge all of these designated reserves into the unrestricted general reserve, resulting in a general reserve balance of £781k and a designated reserve balance of £nil.

The trustees are satisfied with the level of reserves held by the Charity as at 31 December 2021, which is in line with its reserves policy. Although the current level of reserves is significantly higher than the minimum specified in the policy, the trustees believe that this level will be required to sustain the Charity in the next 4 years, as the founder's donation tapers off.

To date the majority of our core funding has been from our Founder and Chair, Martin Lewis. As the charity has grown and developed, we have begun to diversify our funding base to ensure a strong and resilient future for the organisation. Our founder's donation has reduced from 100% of the charity's income in 2016 to 60% in 2021 as the annual donation has tapered and our alternative fundraising has grown. This donation will continue to taper, and we project that it will provide around 40% of our total income by 2025. Over the last couple of years the charity has also built some additional reserves, primarily as a result of cancelled activity and rent costs during the pandemic.

The charity has an income generation strategy that includes generating revenue by charging essential services firms for consultancy work, alongside grants, sponsorship and some other donor income. We believe that this will scale our impact, improving outcomes for millions of people with mental health problems, whilst making the charity more financially resilient.

In light of the impact of the pandemic and the cost of living crisis on both money and mental health, our work is needed more than ever. We aim to sustain our current level of capacity for our core delivery work, whilst at the same time developing new income generation capabilities. Our plans for the next few years therefore involve investing some of our reserves in the income generation, operations and consultancy capacity needed to grow and diversify our income base for the future, allowing us to maintain our current delivery capacity and impact whilst strengthening the charity for the future.

The level of reserves is monitored quarterly and the reserves policy is reviewed annually by the Board of Trustees.

STRUCTURE, GOVERNANCE AND MANAGEMENT

Constitution and objects

Money and Mental Health was registered as a charity with the Charity Commission for England and Wales on 12 April 2016. It is governed by its Constitution. It is a Charitable Incorporated Organisation.

The objects of the Charity are, for the public benefit:

- (1) to advance understanding of mental health, financial difficulties and capability and the relationship between the two;
- (2) to improve the lives of people with mental health problems, particularly in relation to their financial experiences, and
- (3) to promote the preservation of good mental health, with a particular focus on the impact of people's financial experiences,

including by carrying out research, facilitating discussion, designing and testing new approaches and disseminating the useful results of these endeavours.

Appointment of trustees and induction

Anyone who is a natural person and over the age of 16 can become a trustee. There must be at least three trustees and one of the trustees at least must be over the age of 18. There is no maximum number of trustees. New trustees are selected by the Board of Trustees according to the skills, knowledge and experience needed for the effective administration of the Institute.

Induction support and a trustee information pack is provided for all new trustees.

Members' liability

Money and Mental Health had 9 trustees as of 31 December 2021. They are the only persons eligible to be members of the Institute and their membership cannot be transferred to anyone else. If the Institute is wound up, its members have no liability to contribute to its assets and no personal responsibility for settling its debts and liabilities.

Trustees' responsibilities

The trustees are responsible for preparing the Trustees' Report and the Financial Statements in accordance with applicable law and United Kingdom's Accounting Standards (UK GAAP). The Institute has opted to prepare its accounts using the Financial Reporting Standard applicable in the UK and the Republic of Ireland (FRS 102) and follow the Charity SORP 2019 (FRS 102). As a charity registered in England and Wales, the charitable company also reports in accordance with the Charity Commission for England and Wales' guidance on public benefit and the Charities Act 2011.

Chair of the Board of Trustees

Martin Lewis CBE is the founder and the Chair of the Board of Trustees of the Institute. He founded the Money Saving Expert website in 2003 and is currently its Executive Chair. He is also an award-winning campaigning journalist, a TV and radio presenter, a newspaper columnist and author as well as a charity founder. To date, he has also been the main source of revenues of the Institute.

Organisational structure and decision making

The Board of Trustees is responsible for the overall governance and direction of the Institute. The Board meets quarterly. Trustees operate in a non-executive capacity and they are responsible for helping to preserve the Institute's independence and impartiality, notably by ensuring that no interest group is able to exert undue influence on the Institute's work.

Oversight of financial performance and operational controls as well as recommendations on remuneration have been delegated since 2019 to a Finance Committee chaired by the Treasurer.

Day to day operations of the Institute are delegated to the Chief Executive Officer and the senior management team.

Remuneration policy, related party and other transactions

Money and Mental Health is committed to ensuring that its staff members are paid fairly and in a way that ensures it attracts and retains the right skills to have the greatest impact in delivering its charitable objectives. In this context, all salaries are reviewed on an annual basis with the intention to offer each April an inflation-related increase to all employees who have been at their current pay level for three months or more, subject to the Institute's financial health being robust (this policy is not applicable to interns who are remunerated at the London Living wage which already includes an annual inflation adjustment). The Institute also has in place a work pension scheme relying on employer's and employees' pension contributions. The trustees hereby confirm that no contractual relationship with a related party was to be reported. Furthermore, the Institute did not act as an agent or a custodian trustee during the reporting period and it did not hold any funds on behalf of other parties. Finally, the trustees also confirm that there are no applicable exemptions from disclosure in this report.

Risk management

It is the responsibility of the trustees to monitor the risks posed to the ongoing viability of the Institute and its ability to fulfil its charitable objectives. All areas of risk (governance and compliance, operational, financial, environmental and external) have been identified and are set out in the Institute's risk register.

The Board of Trustees regularly assesses the major risks to which Money and Mental Health is exposed; even if less acute than last year, the main risks identified for the current year remain the ones associated with the Covid-19 situation, notably its potential impact on the mental health and wellbeing of the Charity's staff, but also the resulting slow-down in the Institute's income diversification plans as potential funders and Mental Health Accessible clients are not entirely back to normal levels of activity yet.

The Board is therefore satisfied that systems and adequate levels of reserves are in place to mitigate the Institute's exposure to these major risks.

Our thanks

The trustees are very grateful to the many individuals and organisations who supported the work of the Institute in 2021, in particular to the staff team, advisory board, and the thousands of people who generously shared their lived experience of mental health problems to shape our work.

Chair of the Board of Trustees

Martin Lewis

Board of Trustees

Clare Francis
Joanna Hill
Richard Lloyd (Vice-Chair)
Patrick Nash
Carol Pearson (Treasurer)
Chris Pond
Gareth Roy
Simi Ryatt

Advisory Board Members as of 31 December 2021

Bim Afolami MP	Dr Ricky Kanaber
Sue Ayton	Sir Norman Lamb
Andy Bell	Sandra Lawman
Luciana Berger	Aoife ní Luanaigh
Dr Jed Boardman	Léonora Miles
Dr Billy Boland	Vanessa Pine
Dr Lisa Cameron MP	Paul Scates
Rebecca Cassar	Jeff Smith MP
Sharon Collard	Mike Songer
Martin Coppack	Kate Sutton
Steve Crabb	Mark Trewin
Sandra Dangoor	Caroline Wells
Chris Fitch	Nicola Wood
Lee Healey	Professor Dame Til Wykes
Dan Holloway	

Institute Staff as of 31 December 2021

Helen Undy (Chief Executive Officer)
Conor D'Arcy (Head of Research and Policy)
Nicky Deans (Head of Finance and Operations)
Alice Rose (Head of Strategic Partnerships)
Brian Semple (Head of External Affairs)
Nikki Bond (Senior Research Officer)
Bronwen Dalley Smith (Senior External Affairs Officer)
Katrina Gaffney (External Affairs Officer)
Merlyn Holkar (Senior Research Officer)
Chris Lees (Research Officer)
Georgia Preece (Research Assistant)
Alexis Stevens (Senior Strategic Partnerships Officer)
Rachel Fergusson (Intern)

STATEMENT OF TRUSTEES RESPONSIBILITIES

The trustees are responsible for preparing the Trustees' Annual Report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

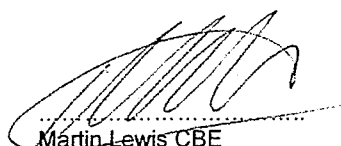
The law applicable to charities in England & Wales requires the trustees to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the charity and of the incoming resources and application of resources of the charity for that period.

In preparing these financial statements, the trustees are required to:

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charities SORP 2019 (FRS 102);
- make judgements and estimates that are reasonable and prudent;
- state whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charity will continue in operation.

The trustees are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the charity and enable them to ensure that the financial statements comply with the Charities Act 2011, the Charities (Accounts and Reports) Regulations 2008 and the provisions of the trust deed. They are also responsible for safeguarding the assets of the charity and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Approved by order of the Board of Trustees on 8 July 2022 and signed on its behalf by:


Martin Lewis CBE
Chair

REPORT OF THE INDEPENDENT AUDITORS TO THE TRUSTEES OF MONEY AND MENTAL HEALTH POLICY INSTITUTE

Opinion

We have audited the financial statements of Money and Mental Health Policy Institute (the 'charity') for the year ended 31 December 2021 which comprise the Statement of Financial Activities, 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 Financial Reporting Standard 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 charity's affairs as at 31 December 2021 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 requirements of 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 Auditors' responsibilities for the audit of the financial statements section of our report. We are independent of the charity 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

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

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 charity'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. However, because not all future events or conditions can be predicted, this statement is not a guarantee as to the charity's ability to continue as a going concern in exceptional or unforeseen circumstances.

Other information

The trustees are responsible for the other information. The other information comprises the information included in the Annual Report, other than the financial statements and our Report of the Independent Auditors thereon. 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 this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters where the Charities (Accounts and Reports) Regulations 2008 requires us to report to you if, in our opinion:

- the information given in the Report of the Trustees is inconsistent in any material respect with the financial statements; or
- the charitable company has not kept adequate accounting records; or
- the financial statements are not in agreement with the accounting records and returns; or
- we have not received all the information and explanations we require for our audit.

Responsibilities of trustees

As explained more fully in the trustees' responsibilities statement [set out on page 12], the trustees 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.

REPORT OF THE INDEPENDENT AUDITORS TO THE TRUSTEES OF MONEY AND MENTAL HEALTH POLICY INSTITUTE

In preparing the financial statements, the trustees are responsible for assessing the charity'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 charity or to cease operations, or have no realistic alternative but to do so.

Our responsibilities for the audit of the financial statements

We have been appointed as auditor under section 144 of the Charities Act 2011 and report in accordance with regulations made under section 154 of that Act.

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 a Report of the Independent Auditors that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. Based on our understanding of both the charity and sector, we identified the principal risks of non-compliance with laws and regulations and considered the extent to which any non-compliance might have on the financial statements. We also considered those laws and regulations that have a direct impact on the preparation of the financial statements such as the Charities Act 2011 and ensured that all those involved in the audit undergo regular update training, including on how to identify or recognise fraud and non-compliance with laws and regulations.

We evaluated management's incentives and opportunities for fraudulent manipulation of the financial statements (including the risk of override of controls) and determined that the principal risks were related to posting inaccurate journals and management bias in accounting estimates. We addressed these risks by carrying out specifically targeted procedures, which included:

- discussions with management, including consideration of any known or suspected instances of non-compliance with laws and regulations and/or fraud;
- reading minutes of meetings of those charged with governance;
- considering the appropriateness of journal entries and other adjustments;
- evaluating the reasons for any large or unusual transactions;
- reviewing disclosures in the financial statements to underlying supporting documentation

As outlined above, reasonable assurance is a high level of assurance, but is not a guarantee that a material misstatement may always be detected. The extent to which our procedures are capable of detecting material misstatements or irregularities, including fraud, is therefore subject to the inherent limitations of an audit. There is therefore, an unavoidable risk that a material misstatement may not come to light, in particular, where non-compliance with laws and regulations are remote from events and transactions reflected in the financial statements or where fraud or errors arise due to intentional misrepresentation, forgery, concealment, management override and/or collusion. A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at www.frc.org.uk/auditorsresponsibilities. This description forms part of our Report of the Independent Auditors.

Use of our report

This report is made solely to the charity's trustees, as a body, in accordance with Part 4 of the Charities (Accounts and Reports) Regulations 2008. Our audit work has been undertaken so that we might state to the charity's trustees those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charity and the charity's trustees as a body, for our audit work, for this report, or for the opinions we have formed.

Julia Mortimer (Senior Statutory Auditor)
for and on behalf of Watts Gregory LLP
Chartered Accountants & Statutory Auditors
Elfed House
Oak Tree Court
Cardiff Gate Business Park
CARDIFF
County of Cardiff
CF23 8RS

Date: 8 July 2022

MONEY AND MENTAL HEALTH POLICY INSTITUTE

**STATEMENT OF FINANCIAL ACTIVITIES
FOR THE YEAR ENDED 31 DECEMBER 2021**

	Notes	Unrestricted funds £	Restricted funds £	2021 Total funds £	2020 Total funds £
INCOME AND ENDOWMENTS FROM					
Donations and legacies	3	590,165	-	590,165	659,335
Charitable activities	5	204,809	33,394	238,203	67,715
Investment income	4	4,657	-	4,657	7,493
Other income		-	-	-	300
Total		799,631	33,394	833,025	734,843
EXPENDITURE ON					
Charitable activities	6	601,865	119,725	721,590	655,351
NET INCOME/(EXPENDITURE)		197,766	(86,331)	111,435	69,492
Transfers between funds	15	80,695	(80,695)	-	-
Net movement in funds		278,461	(167,026)	111,435	69,492
RECONCILIATION OF FUNDS					
Total funds brought forward		502,139	167,026	669,165	599,673
TOTAL FUNDS CARRIED FORWARD		<u>780,600</u>	<u>-</u>	<u>780,600</u>	<u>669,165</u>

The notes form part of these financial statements

MONEY AND MENTAL HEALTH POLICY INSTITUTE

**BALANCE SHEET
31 DECEMBER 2021**

	Notes	Unrestricted funds £	Restricted funds £	2021 Total funds £	2020 Total funds £
FIXED ASSETS					
Tangible assets	11	5,456	-	5,456	3,832
CURRENT ASSETS					
Debtors	12	43,267	-	43,267	115,865
Cash at bank		<u>800,232</u>	<u>-</u>	<u>800,232</u>	<u>758,524</u>
		843,499	-	843,499	874,389
CREDITORS					
Amounts falling due within one year	13	(68,355)	-	(68,355)	(209,056)
NET CURRENT ASSETS		<u>775,144</u>	<u>-</u>	<u>775,144</u>	<u>665,333</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		<u>780,600</u>	<u>-</u>	<u>780,600</u>	<u>669,165</u>
NET ASSETS		<u>780,600</u>	<u>-</u>	<u>780,600</u>	<u>669,165</u>
FUNDS	15				
Unrestricted funds				780,600	502,139
Restricted funds				<u>-</u>	<u>167,026</u>
TOTAL FUNDS				<u>780,600</u>	<u>669,165</u>

The financial statements were approved and authorised for issue by the Board of Trustees on
and were signed on its behalf by:

8th July 2022

Carol Pearson
Treasurer

The notes form part of these financial statements

MONEY AND MENTAL HEALTH POLICY INSTITUTE

**CASH FLOW STATEMENT
FOR THE YEAR ENDED 31 DECEMBER 2021**

	Notes	2021 £	2020 £
Cash flows from operating activities			
Cash generated from operations	1	<u>42,539</u>	<u>132,375</u>
Net cash provided by operating activities		<u>42,539</u>	<u>132,375</u>
Cash flows from investing activities			
Purchase of tangible fixed assets		(5,488)	(3,609)
Interest received		<u>4,657</u>	<u>7,493</u>
Net cash (used in)/provided by investing activities		<u>(831)</u>	<u>3,884</u>
Change in cash and cash equivalents in the reporting period		41,708	136,259
Cash and cash equivalents at the beginning of the reporting period		<u>758,524</u>	<u>622,265</u>
Cash and cash equivalents at the end of the reporting period		<u><u>800,232</u></u>	<u><u>758,524</u></u>

The notes form part of these financial statements

MONEY AND MENTAL HEALTH POLICY INSTITUTE

**NOTES TO THE CASH FLOW STATEMENT
FOR THE YEAR ENDED 31 DECEMBER 2021**

1. RECONCILIATION OF NET INCOME TO NET CASH FLOW FROM OPERATING ACTIVITIES

	2021 £	2020 £
Net income for the reporting period (as per the Statement of Financial Activities)	111,435	69,492
Adjustments for:		
Depreciation charges	2,712	2,548
Loss on disposal of fixed assets	1,152	-
Interest received	(4,657)	(7,493)
Decrease/(increase) in debtors	72,598	(84,510)
(Decrease)/increase in creditors	(140,701)	152,338
Net cash provided by operations	<u>42,539</u>	<u>132,375</u>

2. ANALYSIS OF CHANGES IN NET FUNDS

	At 1/1/21 £	Cash flow £	At 31/12/21 £
Net cash			
Cash at bank	<u>758,524</u>	<u>41,708</u>	<u>800,232</u>
Total	<u>758,524</u>	<u>41,708</u>	<u>800,232</u>

1. STATUTORY INFORMATION

Money and Mental Health Policy Institute is a registered charity, registered in England and Wales under charity number 1166493. The governing document of the charity is its Constitution, and it is a Charitable Incorporated Organisation (CIO). The principal address can be found on the entity information page. The nature of the charity's operations and principal activities are disclosed within the Report of the Trustees.

The financial statements are presented in Sterling (£), the charity's functional currency, and rounded to the nearest pound.

The significant accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all years presented unless otherwise stated.

2. ACCOUNTING POLICIES

Basis of preparing the financial statements

The financial statements of the charity, which is a public benefit entity under FRS 102, have been prepared in accordance with the Charities SORP (FRS 102) '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 2019)', Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland', the Charities Act 2011 and UK Generally Accepted Accounting Practice.

The financial statements have been prepared to give a 'true and fair' view and have departed from the Charities (Accounts and Reports) Regulations 2008 only to the extent to provide a 'true and fair' view. This departure has involved following the 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 issued in October 2019 rather than the Accounting and Reporting by Charities: Statement of Recommended Practice effective from 1 April 2005 which has since been withdrawn.

The financial statements have been prepared under the historical cost convention. Assets and liabilities are initially recognised at historical cost or transaction values unless otherwise stated in the relevant accounting policy note(s).

Going concern

No material uncertainties related to events or conditions that may cast significant doubt upon the entity's ability to continue as a going concern exist.

Income

All income is recognised in the Statement of Financial Activities once the charity has entitlement to the funds, it is probable that the income will be received and the amount can be measured reliably.

Expenditure

Liabilities are recognised as expenditure as soon as there is a legal or constructive obligation committing the charity to that expenditure, it is probable that a transfer of economic benefits will be required in settlement and the amount of the obligation can be measured reliably. Expenditure is accounted for on an accruals basis and has been classified under headings that aggregate all cost related to the category. Where costs cannot be directly attributed to particular headings they have been allocated to activities on a basis consistent with the use of resources.

Allocation and apportionment of costs

All costs are allocated between the expenditure categories on a basis designed to reflect the use of the resource. Costs relating to a particular activity are allocated directly; others are apportioned on an appropriate basis.

Tangible fixed assets

Tangible fixed assets costing £500 or more are capitalised and recognised when future economic benefits are probable and the cost or value of the asset can be measured reliably.

Depreciation is provided at the following annual rates in order to write off each asset over its estimated useful life.

Office equipment - straight line 25%

Computer equipment - straight line 33.33%

MONEY AND MENTAL HEALTH POLICY INSTITUTE

NOTES TO THE FINANCIAL STATEMENTS - continued FOR THE YEAR ENDED 31 DECEMBER 2021

2. ACCOUNTING POLICIES - continued

Operating leases

Rentals applicable to operating leases where substantially all of the benefits and risks of ownership remain with the lessor are charged against profits on a straight line basis over the period of the lease.

Taxation

The charity is exempt from corporation tax on its charitable activities.

Fund accounting

Unrestricted funds can be used in accordance with the charitable objectives at the discretion of the trustees.

Restricted funds can only be used for particular restricted purposes within the objects of the charity. Restrictions arise when specified by the donor or when funds are raised for particular restricted purposes.

Designated funds are created for specific purposes at the discretion of the trustees.

Further explanation of the nature and purpose of each fund is included in the notes to the financial statements.

Pension costs and other post-retirement benefits

The charity operates a defined contribution pension scheme. Contributions payable to the charity's pension scheme are charged to the Statement of Financial Activities in the period to which they relate.

Employee benefits

When employees have rendered service to the charity, short-term employee benefits to which the employees are entitled are recognised at the undiscounted amount expected to be paid in exchange for that service.

3. DONATIONS AND LEGACIES

	2021 £	2020 £
Donations	555,165	621,535
Grants	<u>35,000</u>	<u>37,800</u>
	<u>590,165</u>	<u>659,335</u>

4. INVESTMENT INCOME

	2021 £	2020 £
Bank interest receivable	<u>4,657</u>	<u>7,493</u>

5. INCOME FROM CHARITABLE ACTIVITIES

	Unrestricted £	Restricted £	2021 Total £	2020 Total £
Contracts for Charitable Research	5,000	-	5,000	49,000
Consultancy services and other income	199,809	-	199,809	18,715
Grants	-	33,394	33,394	-
	<u>204,809</u>	<u>33,394</u>	<u>238,203</u>	<u>67,715</u>

MONEY AND MENTAL HEALTH POLICY INSTITUTE

**NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 DECEMBER 2021**

5. INCOME FROM CHARITABLE ACTIVITIES - continued

All income from Charitable Activities is derived from the charity's sole charitable activity 'to advance understanding of mental health, financial capability and the relationship between the two'.

Grants received, included in the above, are as follows:

	2021 £	2020 £
Lloyds Bank Foundation for England and Wales	<u>33,394</u>	<u>-</u>

6. CHARITABLE ACTIVITIES COSTS

	Unrestricted £	Restricted £	2021 Total £	2020 Total £
Direct costs	499,704	102,669	602,373	572,424
Support costs	95,189	17,056	112,245	87,002
Governance costs	6,972	-	6,972	5,925
	<u>601,865</u>	<u>119,725</u>	<u>721,590</u>	<u>665,351</u>

7. NET INCOME/(EXPENDITURE)

Net income/(expenditure) is stated after charging/(crediting):

	2021 £	2020 £
Auditors' remuneration	5,870	5,848
Depreciation - owned assets	<u>2,712</u>	<u>2,548</u>

8. TRUSTEES' REMUNERATION AND BENEFITS

There were no trustees' remuneration or other benefits for the year ended 31 December 2021 or for the year ended 31 December 2020.

Trustees' expenses

There were no trustee's expenses paid for the year ended 31 December 2021. During the prior year, one trustee was reimbursed £65 in respect of expenses incurred on behalf of the remuneration committee.

9. STAFF COSTS

	2021 £	2020 £
Wages and salaries	500,588	472,497
Social security costs	50,140	47,180
Other pension costs	<u>27,613</u>	<u>27,910</u>
	<u>578,341</u>	<u>547,587</u>

The average monthly number of employees during the year was as follows:

2021	2020
<u>12</u>	<u>11</u>

MONEY AND MENTAL HEALTH POLICY INSTITUTE

**NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 DECEMBER 2021**

9. STAFF COSTS - continued

The number of employees whose employee benefits (excluding employer pension costs) exceeded £60,000 was:

	2021	2020
£60,001 - £70,000	-	1
£70,001 - £80,000	<u>1</u>	<u>-</u>
	<u>1</u>	<u>1</u>

In addition to this, pension contributions of £4,404 (2020 - £3,522) were received by these employees.

Included within staff costs above is an amount of £Nil (2020 - £2,152) in respect of redundancy payments.

The total key management personnel remuneration during the year was £330,625 (2020 - £325,647).

**10. COMPARATIVES FOR THE STATEMENT OF FINANCIAL ACTIVITIES –
YEAR ENDED 31 DECEMBER 2020**

	Unrestricted funds £	Restricted funds £	Total funds £
INCOME AND ENDOWMENTS FROM			
Donations and legacies	659,335	-	659,335
Charitable activities			
	67,715	-	67,715
Investment income	7,493	-	7,493
Other income	<u>300</u>	<u>-</u>	<u>300</u>
Total	734,843	-	734,843
EXPENDITURE ON			
Charitable activities	606,392	58,959	665,351
NET INCOME/(EXPENDITURE)	128,451	(58,959)	69,492
RECONCILIATION OF FUNDS			
Total funds brought forward	373,688	225,985	599,673
TOTAL FUNDS CARRIED FORWARD	<u>502,139</u>	<u>167,026</u>	<u>669,165</u>

Based upon further review, some re-classification has taken place in respect of Income and expenditure previously reported to reflect as Income and expenditure under charitable activities.

MONEY AND MENTAL HEALTH POLICY INSTITUTE

**NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 DECEMBER 2021**

11. TANGIBLE FIXED ASSETS

	Office equipment £	Computer equipment £	Totals £
COST			
At 1 January 2021	3,735	9,848	13,583
Additions	732	4,756	5,488
Disposals	(4,467)	-	(4,467)
At 31 December 2021	-	14,604	14,604
DEPRECIATION			
At 1 January 2021	2,714	7,037	9,751
Charge for year	601	2,111	2,712
Eliminated on disposal	(3,315)	-	(3,315)
At 31 December 2021	-	9,148	9,148
NET BOOK VALUE			
At 31 December 2021	-	5,456	5,456
At 31 December 2020	1,021	2,811	3,832

12. DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2021 £	2020 £
Trade debtors	29,944	108,000
Other debtors	1,000	-
Prepayments	12,323	7,865
	<u>43,267</u>	<u>115,865</u>

13. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2021 £	2020 £
Trade creditors	19,329	1,259
Social security and other taxes	15,865	13,067
VAT	3,069	25,143
Accruals and deferred income	<u>30,092</u>	<u>169,587</u>
	<u>68,355</u>	<u>209,056</u>

Included within Accruals and deferred income above is the following deferred income:

	2021 £	2020 £
Consultancy Services	-	<u>130,000</u>

The prior year deferred income related to income received in advance of service delivery. This deferred income of £130,000 was released in full to the Statement of Financial Activities during 2021.

MONEY AND MENTAL HEALTH POLICY INSTITUTE

NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 DECEMBER 2021

14. LEASING AGREEMENTS

Minimum lease payments under non-cancellable operating leases fall due as follows:

	2021 £	2020 £
Within one year	<u>14,962</u>	<u>17,813</u>

15. MOVEMENT IN FUNDS

	At 1/1/21 £	Net movement in funds £	Transfers between funds £	At 31/12/21 £
Unrestricted funds				
General fund	125,139	197,766	457,695	780,600
Contingency	175,000	-	(175,000)	-
Mental Health Accessible	142,000	-	(142,000)	-
Capacity costs	<u>60,000</u>	<u>-</u>	<u>(60,000)</u>	<u>-</u>
	502,139	197,766	80,695	780,600
Restricted funds				
Gambling Commission Work Programme	167,026	(80,267)	(86,759)	-
Lloyds Bank Foundation for England and Wales	-	(6,064)	6,064	-
	<u>167,026</u>	<u>(86,331)</u>	<u>(80,695)</u>	<u>-</u>
TOTAL FUNDS	<u>669,165</u>	<u>111,435</u>	<u>-</u>	<u>780,600</u>

Net movement in funds, included in the above are as follows:

	Incoming resources £	Resources expended £	Movement in funds £
Unrestricted funds			
General fund	799,631	(601,865)	197,766
Restricted funds			
Gambling Commission Work Programme	-	(80,267)	(80,267)
Lloyds Bank Foundation for England and Wales	33,394	(39,458)	(6,064)
	<u>33,394</u>	<u>(119,725)</u>	<u>(86,331)</u>
TOTAL FUNDS	<u>833,025</u>	<u>(721,590)</u>	<u>111,435</u>

MONEY AND MENTAL HEALTH POLICY INSTITUTE

NOTES TO THE FINANCIAL STATEMENTS - continued FOR THE YEAR ENDED 31 DECEMBER 2021

15. MOVEMENT IN FUNDS - continued Comparatives for movement in funds

	At 1/1/20 £	Net movement in funds £	Transfers between funds £	At 31/12/20 £
Unrestricted funds				
General fund	93,688	128,451	(97,000)	125,139
Contingency	138,000	-	37,000	175,000
Mental Health Accessible	142,000	-	-	142,000
Capacity costs	-	-	60,000	60,000
	<u>373,688</u>	<u>128,451</u>	<u>-</u>	<u>502,139</u>
Restricted funds				
Gambling Commission Work Programme	225,985	(58,959)	-	167,026
	<u>225,985</u>	<u>(58,959)</u>	<u>-</u>	<u>167,026</u>
TOTAL FUNDS	<u>599,673</u>	<u>69,492</u>	<u>-</u>	<u>669,165</u>

Comparative net movement in funds, included in the above are as follows:

	Incoming resources £	Resources expended £	Movement in funds £
Unrestricted funds			
General fund	734,843	(606,392)	128,451
Restricted funds			
Gambling Commission Work Programme	-	(58,959)	(58,959)
	<u>734,843</u>	<u>(665,351)</u>	<u>69,492</u>
TOTAL FUNDS	<u>734,843</u>	<u>(665,351)</u>	<u>69,492</u>

Designated funds

Contingency

This fund was created to ensure that an adequate level of reserves is maintained to allow the charity to face any type of contingent liability or unexpected expenditure not included within the charity's operating budget.

Mental Health Accessible

This fund was created to ensure the fixed costs of the charity's work in this area would be covered regardless of income generation.

Capacity Costs

This fund was created to allow for investment in additional internal resource to manage additional workload and/or administrative tasks, as well as to have the flexibility to rely on external resources on an ad-hoc basis.

As outlined within the reserves policy, the Trustees agreed to merge all of the above designated funds into the unrestricted general fund.

Restricted funds

Gambling Commission Work Programme

During 2019 a £228,500 donation was received in relation to a regulatory settlement between the Gambling Commission and a gambling firm. In accordance with the regulatory settlement agreed in lieu of imposing a financial penalty on the gambling firm, these monies represented a restricted donation to the Charity to accelerate progress towards the delivery of the Gambling Commission's National Strategy to reduce Gambling Harms.

The funds were allocated to a programme of work agreed between the Charity and the Gambling Commission to deliver this progress by engaging the financial services sector in efforts to reduce gambling harms.

15. MOVEMENT IN FUNDS - continued

Lloyds Bank Foundation for England and Wales

Grant funding was received from Lloyds Bank Foundation for England and Wales to be used to secure government commitment for changing an element of the Universal Credit (UC) system, to make it easier for people to get help from family and friends in managing their benefits. The proposal addresses explicit consent.

Transfers between funds

Approval was obtained from the Gambling Commission that an underspend on the regulatory settlement project can be transferred into the charity's core charitable funds. A transfer of £86,759 has been transferred from the restricted fund to the general fund.

A fund transfer of £6,064 has been made from the general fund to the restricted Lloyds Bank Foundation for England and Wales fund to cover an overspend on the project.

On 1 January 2021 the charity held designated funds totalling £377,000. The Trustees agreed to merge all of these designated funds into the unrestricted general fund.

16. EMPLOYEE BENEFIT OBLIGATIONS

The charity operates a defined contribution pension scheme. The assets of the scheme are held separately from those of the charity in independently administered funds. The pension cost charge represents contributions paid by the charity to the fund and amounted to £27,613 (2020: £27,910). Contributions outstanding at the year end amounted to £Nil (2020: £Nil).

17. RELATED PARTY DISCLOSURES

During the year, donations totalling £499,000 (2020: £541,170) were received from the founder and Chair of the charity - Martin Lewis.